Bankers uneasy as Mexican crisis looms, Page 4

No. 29.855

Friday February 14 1986

World news

## Italians refuse to sign EEC join car reforms

Italy yesterday refused to sign a package of EEC reforms on the eral Motors, Ford and Chrysler, such grounds that the changes negotiated last year are too modest.

It thus joins Denmark, which is withholding acceptance of the pack-age at least until after a referendum due on February 27, although the Danes consider the proposed changes to be too sweeping. Greece may also refuse to sign but its plans were not clear.

The Netherlands, which currently holds the EEC presidency, intends to go ahead with the package's signing ceremony in Lan Monday, Page 20

#### **Botha denial**

South African Foreign Minister Pik Botha denied he was ready to set a date for the independence of Namibia after talks with a US delega-

#### Iraq fights back

Iraq launched a two-pronged counter-attack against Iranian forces south-west of Basra, amid accusa-tions on boths sides that chemical weapons were being used. Page 4

#### Paris expels 10

France is expelling 10 of 64 people, mostly of Middle East origin, detained in raids by anti-terrorist police on Wednesday in connect with recent bomb attacks in Paris.

#### Irish reshuffle

Irish Prime Minister Garret Fitz-Gerald appointed John Bruton as Finance Minister in an unexpected Cabinet reshuffle designed to re-charge his coalition Government. STERLING gained 60

#### Bomb found on bus

Two bombs exploded in northern Israel and a third, discovered on a bus, was detonated by an explosive expert. No casualties were reported.

#### Schools boycott

747 part found UK aviation officials, ordered a

check of all Boeing 747 jets at London's Heathrow airport after a piece of engine was found on a SA police criticised

A US Government human rights report said South African police used excessive force against black pro-tion given to investors. He said that testers. It also said serious human he had no doctorate qualifications, rights violations took place in the either from Swedish or US universi-Philippines but pointed to "some positive developments". Page 4

#### Holiday centre blast

A bomb and fire attack, believed to have be launched by separatist mil-itants, on a Club Mediterannée holiday village in southern Corsica caused \$207,000 worth of damage but no casualties.

#### S. Korea crackdown

South Korea, which is holding leading dissident Kim Dae-jung under house arrest, barred opposition members and dissidents from their offices in a crackdown against a ampaign for election reforms.

#### uvalier digs in

'rance has formally asked Liberia to grant asylum to ousted Haitian sident Jean-Claude Duvalier but m aide said he and his family want

### Soldier killed

A British soldier was killed and our others injured in an explosion luring winter exercises in Norway. Page 9

Business summary

## Chrysler and Ford profit slip

fered a 17 per cent fall in combined earnings lest year after strikes, discount campaigns and product launches. Page 21

BRITAIN'S Securities and Investments Board will be given the power to change the rule books of proposed self-regulatory organisations such as the London Stock Exchange without first obtaining a court or der. UK Government promised the change after pressure from Conservative MPs. Page 9

WALL STREET: At 3pm the Dow Jones industrial average was 0.92 higher at 1,630.85. Page 42

LONDON: Equities adopted a more leisurely upward bias while gilts were lower. The FT Ordinary share ndex reached a record 1,212.5, up 3.9, and the FT-SE 100 was 3.5 higher at a record 1,473.5 Page 42

TOKYO: Stocks fell for the first time in 10 sessions. The Nikkei average was off 6.78 at 13,293.80.

PARIS stocks, boosted by strong foreign demand and the dollar's decline, showed a fourth consecutive record advance. The CAC General index topped 300 for the first time, closing 2.9 up at 300.3. Stock market reports, Page 42

DOLLAR remained weak in London, falling to DM 2.348 (DM 2.367), SFr 1.9445 (SFr 1.9675), FFr 7.2225 (FFr 7.2625) and Y182.15 (Y186.6). On Bank of England figures the dollar's exchange rate index fell to 121.0 from 121.5. Page 35

against the dollar in London to \$1.418 but fell to DM 3.33 (DM 3.3425), SFr 2.7575 (SFr 2.7775), FFr 10.3425 (FFr 10.255) and Y258.25 (Y263.5). The pound's exchange rate index fell 0.3 to 73.7. Page 35

GOLD fell \$1.75 on the London bul lion market to \$334.75 and was \$2.55 lower in Zurich at \$334,50. Page 34

Black South African pupils staged a WESTLAND chairman Sir John mass boycott of schools around Pre-toria to mark the anniversary of the dence to the London Stock Exfirst of 1,100 deaths in two years of change inquiry into share-dealing nationwide riots. change inquiry into share-dealing in the UK helicopter company.

> IMPERIAL Group, which is fight-ing a £1.8bn (\$2.5bn) bid from Han-son Trust, forecast a 23 per cent increase in full-year taxable profits. Page 28; Lex, Page 28

FERMENTA: Refaat el-Sayed, managing director and majority share-holder in the Swedish biotechnology and chemicals group, admitted last night that he had lied about his

ABBEY NATIONAL Building Society launched a £200m (\$280m) fiveyear revolving credit facility in the Euromarkets, believed to be the largest such deal by a British building society. Page 23

FINANCIERE Credit Suisse-First Boston, market leader in Eurobond issuing, saw a fall in consolidated assets, largely due to a slowdown in floating rate note and certificate of deposit business towards the end of the year. Page 23

OLIVETTI, leading Italian office automation group, expects to raise up to L630bn (S393m) from its planned 10-year 3.5 per cent Swiss France bond issue with warrants. Page 21

PHILIPS, Dutch electronics group, is ending production of its loss-making V2000 video cassette recorder after an almost six-year unsuccessno stay on French soil and will not ful struggle to gain enough market share to compete with Japan. Page

> VOLVO of Sweden is now in the running to take over Leyland Bus from Britain's state-owned BL

## Saudis will pay with oil for £4bn UK aircraft deal

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT, IN LONDON

THE BRITISH Government is close to finalising details of its biggest ever arms export deal, won after tough competition with France last

The £4bn (\$5.6bn) agreement to sell 132 fighter and trainer aircraft to Saudi Arabia will be paid for almost entirely in oil under arrange-ments involving Shell and BP and Aramco, the US oil group operating

The deal is being concluded despite the current oil price war. Offi-cials maintain that the arrangement should have little or no effect on the already depressed oil price, since crude oil will be lifted from within the Saudi Arabian Opec production quota and will be absorbed into Shell and BP's refined produc-

It is understood that the oil will be lifted over three years at a rate which would be expected to cover the £4bn plus cost of the aircraft in the first phase of the project.

Outline agreement for the sale of the 132 aircraft was signed in September by Prince Sultan bin Abdul Aziz, the Saudi Defence Minister, and Mr Michael Heseltine, then British Defence Secretary. The deal was then said to be worth some £3bn to £4bn with oil described as an element to be involved in pay-

Negotiations over the past few months have resulted in an agree-ment covering oil, and are expected rons - will be delivered by the end

soon to result in the signature of of next month. Two more will be de about a dozen formal contracts be-livered in April and the balance in tween the two governments. These 1987. The remainder of the Tornawill cover the sale of the aircraft, does should be delivered by was well as their weapons, support 1989-90. The other aircraft involved and maintenance and a big training are 30 Hawk advanced combat and programme.

The basis of the oil deal is the North-West Europe netback - the spot price minus the cost of refining although it is understood some of the oil may be sold elsewhere.

The oil deal is the subject of an and Aramco which was signed at £8bn or more over the longer term. derstood to he arriving in Europe would suffer as a result of the divershortly. There is a parallel agreement between the Saudi and UK It has now been agreed that the severnments, through their minis-

prime contractor for the whole deal, has its own agreements with the British Defence Ministry, from which it will receive payment. The company is understood to have received an initial cash payment of some £50m, part of a small cash element in the aircraft deal.

The agreement involves the sale

of 48 of the strike version of the three-nation Tornado fighter bomber and 24 of the air defence variant. The first four of 20 Tornadoes - originally destined for the RAF's

trainer aircraft, and 30 Swiss built Pilatus PC 9 trainers for delivery by

The deal is the largest military export contract ever concluded by the UK, involving not only British Aerospace but substantial numbers of sub-contractors. Officials esti agreement between Shell and BP mate the deal will be worth some

the end of last month. The first Defence Ministry officials say shipment, worth some £20m, is unthat initial fears that the RAF Tornadoes will be replaced within the next three to four years at no British Aerospace, the industrial extra cost to the defence budget.

Short-term pressures on the RAF, which is involved in a major training programme, could prove acute but officials hope that the ex-perience gained by the RAF and in-dustry as a whole will lead to further exports deals.

There are currently hopes of sales of some 40 of the Anglo-German-Italian Tornado to Turkey, although these aircraft would be most likely to come off the Italian or German production lines rather than

US oil groups' austerity, Page 4; Lex, Page 20

## No Mexican aid without economic reform - US

BY STEWART FLEMING IN WASHINGTON

international institutions agree to that at current oil price levels, Mex- be accelerating their departure lend it more money, according to a ico's new money needs this year are from Mexico." senior US Treasury official.

The official firmly denied that the structural economic reforms and make c US is working on an emergency lending package to help Mexico overcome serious economic probbetween agreement on new eco-nomic policies and the disburse-Bank, as is customary in dealings with debt-burdened countries. But he stressed that the US does not be-

in the order of \$4bn if it also adopts

of \$4bn is still reasonably achievable unless prices begin falling to \$15 a barrel, the official said. lems, brought on partly by falling oil prices. He agreed that funds might be available to bridge the gap of by Mexican officials – for examine they understand that," he said. ment of funds from the Internation- or that banks should consider cutal Monetary Fund and the World ting interest rates on its debt to 6

driving banks out of lending consorlieve, given the current level of oil tia it would be quite negative, espe-prices and Mexican foreign ex-change reserves, that "anything bank facility which is vulnerable to

MEXICO will have to demonstrate like that is needed or would be bank departures. The hig banks; a commitment to fundamental econeeded."

needed."

he said, have a real problem. Some
The US Administration believes of the smaller banks, I am sure, will

The Treasury officials remarks cuts imports. "We think the figure worried about its strategically placed southern neighbour, but is insistent that Mexico make a credible commitment to economic re He warned that ideas being float- form. They have not done enough-

ed by Mexican officials - 101 country might need ple that the country might need close to \$9bn of new money in 1986 er an emergency package, the purpose of which is to go on financing pose of which is to go on financing pose of which is to go on financing per cent - are "not helpful."

Substantial World Bank loans are
If such ideas had the effect of under negotiation and IMF funds Continued on Page 20

Debt crisis looms, Page 4; Lombard, Page 19

## Daimler-AEG merger approved

BY JOHN DAVIES IN FRANKFURT

THE WEST German Cartel Office pected to approve the takeover, as yesterday gave the go-ahead for size alone is not a legal justification lary of ITT of the US), and Rohde Daimler-Benz, the motor vehicle to block such a move. group, to take control of the AEG interests would be sold off.

electrical transformer company. It companies which also embrace must also withdraw in 1990 from a competitors in the electrical and French-West German consortium aerospace business. formed to seek contracts in communications satellite technology. of 1988 to sell its 25 per cent stake
The Cartel Office decision is a in Transformatoren Union (TU), the

landmark in the controversial field struggling electrical transformer of corporate merger policy in West maker. Siemens, West Germany's Germany because it clears the way biggest electrical company, owns for creation of the country's biggest the remaining 75 per cent stake. industrial group with sales of well over DM 60on (\$25.4bn) a year.

Daimler-Benz, which took a 24.9

By the end of this year AEG is also to sell its 25 per cent stake in ESG, a company involved in de-

per cent. The takeover will cost it a teilersystem, a radio and TV antentotal of DM 1.77bn. na company. The Cartel Office had been ex-

Daimler and AEG have argued electrical concern after receiving that the takeover would not reduce assurances that some business competition in any markets. But

the Cartel Office has insisted that To meet Cartel Office terms, AEG they underline this by selling off is to sell its stake in a loss-making their stakes in certain joint venture

per cent stake in AEG last October, fence electronics, and its 50 per cent stake in Viscom Ton und Video-Ver-

Its partners in ESG are Siemens.

and Schwarz, each with a 25 per cent stake. Its equal partner in Viscom is Bosch, the automotive parts and electronics group.

In addition, AEG is to withdraw

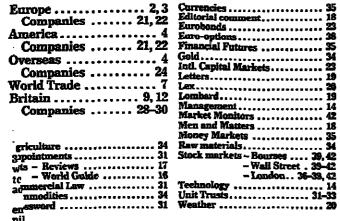
from the Eurosatellite Gesellschaft für Satellitentechnik once contracts between the French and West German consortium members run out in 1990. AEG has a 24 per cent stake AEG has been given until the end in the consortium, formed in 1978 to sell communications satellite tech-

The problem, in the Cartel Of-fice's view, is that MBB, West Germany's biggest aerospace group, is also a member of the consortium. But Daimler-Benz already owns a majority of Dornier, another West German space reseach group. The Cartel Office feels that, ever

business is an international

Continued on Page 20

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Canada: hard bargaining on Lombard: IMF's austere de-

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engine economy ....... 14 London SE; Haslemere .. 20 Editorial comment: Europe's Petrochemicals: significance

## Sweden to close its last merchant shipyard

By Kevin Done in Stockholm

THE SWEDISH Government is to close the country's last remaining merchant shipbuilding yard, Kock-ums, in southern Sweden, with the direct loss of around 2,200 jobs.

The announcement, which comes barely two months before the Uddevalla merchant shipyard is due to close with the loss of 2,400 jobs, marks the end of an era for Sweden. Little more than a decade ago it was the world's second largest merchant shipbuilding nation after Japan, but it has been forced to make savage cuts in capacity in the face of the prolonged world shipbuilding

The blow of the Kockums closure ras softened, however, by the parallel announcement that Saab-Scania, the Swedish automotive and aerospace group, is to build a new SKr 3bn (\$401m) car plant at the site. First production is due to begin in 1989 and is planned to rise to an assembly capacity of 90,000 cars a year by the mid-1990s.

Mr Thage Peterson, the Swedish Industry Minister, said yesterday that the state had committed more than SKr 35bn in state aid to the shipbuilding industry in the past 10 years, but there was still no prospect of building merchant ships on commercial basis before well into the 1990s at the earliest.

Production of merchant ves at Kockums would need aid of around SKr 500m a year for the reseeable future. "Resources should be put into sectors with better prospects, not into an industry which has no customers and no or-

Plans for the car plant were announced in conjunction with an SKr 800m state aid package for the Malmō region, which has been one of the areas hardest hit by shipyard closures and crises in other in trial sectors, with the loss of 7,000 to 8,000 industrial jobs in the last 10

Unemployment is close to double the average for the rest of the country at some 5.7 per cent, and unemployment, including all those on labour market support schemes is around 8 per cent

About 600 jobs will be maintained at the Kockums yard, in naval shipof submarines. Swedyards, the state shipbuilding group, is to develop Kockums as a centre for undervater technology. Continued on Page 20

Kockums bows to the inevitable, Page 2; Saab's plans, Page 21 trading, closing at Y182.15, com-

## **Enichem-ICI** link will cut **PVC** capacity

BY ALAN FRIEDMAN IN MILAN

The second secon

D 8523 B

ENICHEM, the Italian state-owner chemicals group, and Britain's ICI

ny with close to 25 per cent of the capacity. The effect of these cloEuropean PVC market, overtaking sures will be to reduce by half the 
Solvay of Belgium in size to become total overcapacity in Western 
the largest in Europe and roughly 
equal in size to B. F. Goodrich of the 
About 1,300 jobs are expected to equal in size to B. F. Goodrich of the

The merger, the fruit of more ICI, will also reduce VCM capacity.

than a year of detailed negotiations, VCM is an intermediate stage mor represents a significant rationalisa- omer used to make PVC. tion of the European PVC industry, which is suffering from 15 per cent

ICI will cut 100,000 tonnes of PVC capacity by closing down older ac-tivities at Hillhouse in the UK and yesterday unveiled plans to merge tivities at Hillhouse in the UK and their loss-making vinyl chloride Waldshut in West Germany. En-monomer (VCM) and polyvinyl ichem is to close PVC plant capacity operations in at Porto Marghera near Venice and at Brindisi in southern Italy, with The merger will create a compa- the elimination of 200,000 tonnes of

be eliminated as a result. Enichem US, the largest in the world. be eliminated as a result. Enichem ICI and Enichem are to create a will make about 1,000 of these cuts new 50-50 joint company to be in Italy. At ICI, some 80 jobs will go known as European Vinyls Corporati Hillhouse and 60 at Waldshut. Other related cuts could bring the ICI total to 300. Enichem, but not

Continued on Page 20

## \$ slide prompts concern

overcapacity.

By George Graham in London and Carla Rapoport in Tokyo

THE DOLLAR took another tumble on foreign exchanges yesterday, falling to its lowest level against the yen for seven years. The speed of its drop in the last week has aroused fears that a continuation of the slide could disrupt the world economic recovery. Finance ministers of the leading

industrial nations agreed last Sep-

tember to bring the dollar down

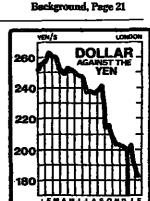
against other currencies, but some

that it may be falling too fast.

Mr Gerhard Stoltenberg, the West German Finance Minister, warned yesterday in a second that the Swiss franc had been particularly strong. It rose to SFr 1.9445 against the dollar, compared with SFr 1.9675 the previous day. interview that too sharp a fall in the fears over the falling oil price, value of the dollar could raise infla-

also said that a fast and disruptive day's close, ending at 73.7. move was a matter of concern, but they said the remedy lay more in adjustments to US domestic poli- terday responded to a question

for the dollar. busiest trading day on record, with not be overlooked. He had said last volume reaching \$5.3bn. The dollar week that he thought the yen had suffered further falls in European been rising a little too fast.



pared with Y188.60 the previous

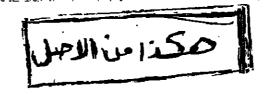
The dollar continued to weaken against European currencies. It lost 2 plennigs vesterday against the D-Mark closing at DM 2.3480. Traders

tion in the US and cause problems lar, closing in London at \$1.4180. for the world economy. The Bank of England's trade Other European central bankers weighted index fell 0.3 on yester-

Meanwhile, Mr Satoshi Sumita, cies than in setting a target value about the yen's strength saying that for the dollar. The dollar fell Y3.05 in Tokyo's costs of imported materials, should

Currencies, Page 35

# THE REAL PROPERTY. ATTERNATION OF THE PERSON



THE Dutch visible trade surplus shrank 14 per cent to F1 10.1bn (£2.7bn) in 1985 from The yard emerged in the

FI 11.8bn the previous year, the first drop in four years as im-ported goods were sucked in The decline in the trade surplus is viewed positively. Many of the growing Dutch imports are investment goods or raw materials fuelling the modest economic recovery. Imports of machinery, organic chemicals and plastics all grew 16 per cent or more.

Exports rose 7 per cent in 1985 to Fl 225.6bn, while

imports grew 8 per cent to Fl 215.5bn. In December 1985, the trade

## Kockums bows to the inevitable

The yard emerged in the early 1970s as the world's leading builder of very large and ultra-large crude carriers. It did this with virtually unmatched productivity — at one point turning out a super-tanker once every 40 working

At its height in 1973-74, Kockums could boast the world's biggest order backlog: 6.3m deadweight tons. "Buyers were lining up at our front door," said one spokesman wistfully.

Then came the world oil price

Exporting Countries Opec for restraint or cuts in output to stabilise tumbling prices, the Oslo daily Aftenposten said yes terday. It said Norway would produce some 890,000 barrels of crude per day this year

IN ITS glory days as the once one of the world's premier selective shutdowns and capital cruise and container vessels. flagship of the Swedish mer maritime nations, second only chant shipbuilding industry, to Japan.

IN ITS glory days as the once one of the world's premier selective shutdowns and capital cruise and container vessels. In its container vessels. It is container vessels. In its container vessels. In its container vessels. It is container vessels. In its container vessels. It is container vessels. In its container vessels. It is container vessels vessels vessels vessels vess

Few other shipbuilding ter position itself to compete nations have reduced so much capacity so quickly in a desperate attempt to keep affoat and turn a profit on a commercial basis. In 1977, the saily grow and leaves mountained to plummet, excess capacity grow and leaves mountained to plummet, excess capacity grow and leaves mountained to plummet. cial basis. In 1977, the acity grew and losses mounted. Swedish Government took over The group has lost an astonish-

Yesterday, after years of alternating hope and despair, the noose finally pulled tight around Kockums and with it the entire Swedish shipbuilding industry. Few other shipbuilding

nations have reduced so much capacity so quickly in a desperate attempt to keep afloat and turn a profit on a commercial basis'

st of the country's private shipbuilding yards, reeling from the oil shock and on the verge of bankruptcy, and began

west coast yards: Eriksberg, Oresund and, most recently, the

The overall workforce in the Swedish group, of which Kockums is the last merchant shipbuilder, has been slashed by two-thirds to some 11,000 people. It was borned that he

ing SKr 10.3bn (£976m) on combined turnover of SKr 51.4bn since 1977. Ships were built for stock and never sold. structuring.

Since then decisions have been taken to close three large could not pay.

Patience and sympathy in the Uresund and, most recently, the Uddevalla tanker and bulk carrier producer.

Government finally wore out. In 1983 legislation, the Government stipulated that the content of the content o stipulated that the yards would have to turn a profit this year or face an end to government aid. and closure.

Kockums staked its future on

two-thirds to some 11,000 the production of technically government people. It was hoped that, by advanced ro-ro (roll on-roll off), shipyards.

After a series of shutdowns it cut its workforce from some 6.00 in the 1970s to 2,800 today the remaining facilities are among the world's most efficient. But even for such specialised vessels the market remained

In the last three months Kockums has seen a number of key orders slip through its fingers. Protectionism, combined with foreign government subsidies of as much as 50 per cent, have battered all remaining

Late last December, Swedyard Late last December, Swedyard announced it has concluded that continued merchant shipbuilding on "commercially acceptable terms" was impossible. Without some SKr 200m in government subsidies annually, Kockums said it would be forced to close. Some 600 of the Kockums

workforce is still profitably engaged in the production of technically advanced con-ventional submarines for the Swedish navy and some export markets, an activity which is to be continued and developed. But yesterday's decision in

Stockholm represents a long delayed coup de grace for the rest of the shipbuilding activities.

The total SKr 35bn cost to the Swedish Government of this nine year exercise should offer a sober lesson to decision makers in other European

## Salem's captain iailed

A GREEK sez captain who admitted sinking a huge oil tanker in what has been called the biggest shipping fraud in history was jailed for 12 years yesterday on charges of causing a shipwreck and em-bezzlement. Renter reports from Piraeus.

Dimitris Georgoulis, 49. was captain of the 92.228-ton Salem which sank off west Africa in January. 1980. shortly after it had delivered 180,000 tonnes of eil from Kuwait at Durban, South Africa, in defiance of sanc-

He reacted calmly to the verdict and said he would appeal. In his defence, he had denied embezzling oil. Georgoulis said he believed

Georgouis said he believed that Shell Oil Company and the defunct Italian oil com-pany. Pontoil, which he said were under contract to pro-cure oil for the Italian state, were party to and not victims of a sanctions-busting oil de-

The indictment accused Georgoulis of taking part in the theft of oil from Shell, saying the oil giant was the rightful owner of the cargo he unloaded in Durban at the end of December, 197., and that he acted again Shell's orders in unloading it.

orders in unloading it.

But Georgoulis told the
court: "It was Shell's oil. We
unloaded it at Shell's installation in South Africa."

Bruton moves to finance in Irish cabinet reshuffle

BY HUGH CARNEGY IN DUBLIN

MR JOHN BRUTON, a tough taxation and the move is seen 38-year-old economist, was yes- as a deserved break for him territy appointed Irish Finance rather than a demotion. Minister to replace Mr Alan Dukes in an unexpected cabinet reshufile by Dr Garret Fitz-Gerald, the Irish Prime Minis-

ter.
None of the 15 ministers were dropped from the Fine Gael-Labour coalition cabinet, but Dr FitzGerald shifted responsibili-

FitzGerald shifted responsibilities between nine of them in an effort to recharge the Government, which has flagged badly in recent opinion polls.

Mr Bruton was Finance Minister in a previous shortlived coalition which fell in early 1982 when the Government lost a vote on a budget which produced huge public outcry for taxing children's clothing and footwear.

A strong advocate of the present Government's tight austerity policies, he has been a member of the Dail (lower house) since 1969 and is regarded as a close economic

garded as a close economic adviser to Dr FitzGerald. He now has the task of carrying economic policy into the next election, due sometime next

Mr Dukes moves to the Minis-try of Justice, where he takes over from Mr Michael Noonan who in turn assumes respons bility for Industry and Com-merce from Mr Bruton. Only two weeks ago Mr Dukes presented his fourth budget in which he shifted emphasis from direct to indirect taxation but maintained the Government's

tight hold on spending.

He had increasingly taken the brunt of public anger over high

Mr Peter Barry, Foreign Minister whose responsibilities include joint chairmanship of the Anglo-Trish conference, was not affected by the changes.

As Mr Burton took over at the Finance Ministry the latest review of the economy, by Coopers and Lybrand predicted an improving overall picture in Ireland over the next four-years, but with continued increases in but with continued increases in unemployment and growth rates held back by the heavy foreign

debt burden.
Coopers and Lybrand said unemployment, now 240,000 or 18 per cent of the workforce, was set to rise by 3.5 per cent this year after a 7.7 per cent increase in 1885. The rise in the into year after a 117 per cent increase in 1985. The rise in the labour force would outstrip new jobs by about 4,000 a year up to 1990.

Gross national product (GNP) was likely to grow by 2.1 per cent this year compared with the dismal 1985 outturn of just over half a per cent. Over the next four years, the report predicted average annual GNP growth of 2.4 per cent, but this would bebelow the OECD aver-age because of Ireland's foreign

debt commitments.

A fall in net outflows brightened the balance of payments outlook, leaving a deficit this year of I£ 310m (£280m) com-pared with I£450m in 1985 and

If 837m in 1984.
Overall, exchange rate and oil price trends posed major uncertainties for the economy, the report said.

## Call for investigation into Spanish holiday home fraud

A CAMPAIGN is under way in the European Parliament to combat fraudulent sales of holicombat transutient sales or foli-day and retirement homes in Spain, believed to involve several hundred milkion pounds. Mr Edward McMillan-Scott, a British Conservative Euro-MP, said after a meeting with Spanish and Danish colleagues in Madrid that the three groups pane, in which he said the would work together to press photographs of property on for an investigation by the parliament with the aim that this another company's brochure.

He said he had discussed the land of the said that the said he had discussed the land of the said he had discussed the land of the said he had discussed the land of the said that the said the land discussed the land of the said that the said the land discussed the land of the said the land discussed drawn up of estate agents alleged to have defrauded

perty. Claiming that the fruad cases, most of them involving non-Spanish property companies, ran into tens of thousands, Mr McMillan-Scott said an investi-gation appeared to be the only way foreign purchasers could hope for redress or protection. In some instances, the same property had been sold dozens of times over, he said. Apparently valid property deeds were found to be worthless because

sauded they could save on tax by paying for their Spanish flats or villas in the UK, often in breach of the law,

Besides Britons, Spain also
has large colonies of Germans, Dutch and Scandinavians.

Mr McMillan-Scott produced

an example of a phony sales leafer issued by a London com-pany, in which he said the photographs of property on offer had been lifted from issue with a senior Spanish consumer affairs officials, who with the tourism and housing authorities to try to combat confidence tricksters. He had also urged the European Commission to draw up a guide for buying property in the Com-

munity.

Mr Per Svensson, president
of Spain's Foreign Property Owners' Institute, said there were now about 50,000 new purchasers a year—up to half of them British—and that one in they had not been officially and almost one in two with registered in Spain. Many problems of one sort or British buyers had been per-

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n læ

## **Danish civil servants** 'misused' claims Opposition

DENMARK'S Opposition Social Democratic Party has accused the cialition Government of mis-using civil servants for political ends as the campaign ahead of Denmark's February 27 referendum gets into its swing. Voters in the referendum will be asked to accept or reject re-forms of the EEC agreed by the heads of government in December.

A crucial ambiguity about what the referendum is really about has led to a mutual exchange of abuse between Prime Minister Poul Schlüter and his ministers and the Social Democratic leaders. cratic leaders.

cratic leaders.

According to the Opposition, the referendum is about the reforms and nothing more. "The referendum is over the reforms and will not affect our membership of the Community. The other members may be irritated with us for a while, but within a few months it will all be over and forgotten," according to Mr Ivar Norgaard, the Social Democratic market affairs spokesman. It is formally correct that the referendum is about the reforms, but Mr Schlüter argues that in reality "it is our membership of the EEC which is at stake. If we say no to the reforms.

hership of the EEC which is at stake. If we say no to the reforms we are taking the first step out."

The campaign controversy this week has focussed on two papers prepared by senior officials in the central administration. The first analyses the economic consequences of Denmark's withdrawal from the EEC, the second analyses the more immediate consequences of relecting the reforms.

"The papers were written at political direction," accused Mr Svend Auken, deputy chairman of the Social Democratic Party.

"This is an abuse of the civil service for political ends."

The first paper pointed out that withdrawal would have catastrophic consequences for agriculture and fisheries and related food processing industries,

deficit soured to a record DKr 28bn (£2.2bu) in 1985, according to preliminary figures published by the Bureau of Statistics.

The deficit, which equals about 4.6 per cent of last year's gross domestic product, was about twice as large as forecast by the Government at the beginning of last year.

Last year's deficit compared with a deficit in 1984 or DKr 17.7bm

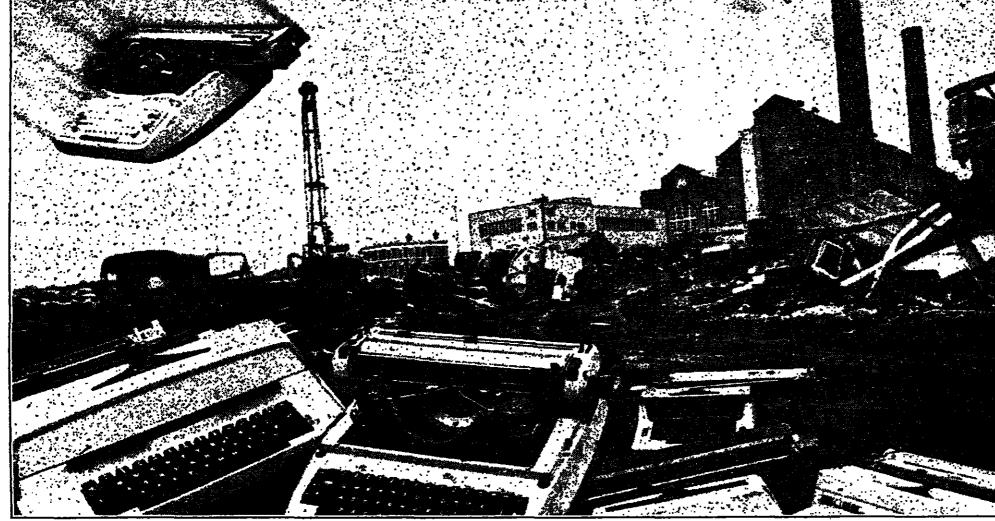
Denmark's current account

which together account for about a third of Denmark's merchandise exports. These products would be denied access to community markets and would lose the EEC export subsidies. The second paper argued that Denmark will be subjected to mounting political and economic isolation in the Community if it turns down the reforms.

"An interesting paper." said

"An interesting paper," said Mr Auken in a clash with the Prime Minister in the Kolketing (parliament) on Wednesday. "Officials explain in this paper that the other members cannot throw us out of the Community. throw us out of the Community for saying no."

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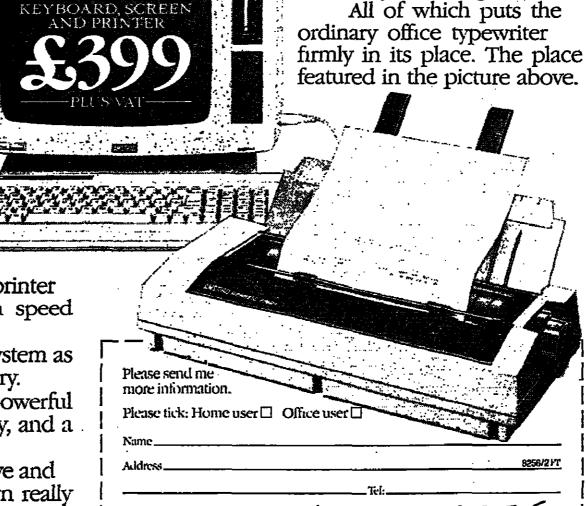
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# EEC move on

The Netherlands, Mr Pangalos said, is displaying an "odd zeal" in trying to revive Turkish-EFC relations given its past concern over the human rights situation inside Turkey. Turkey's relations with the European Community were disrupted following the military coup in 1980. Mr Turgut Ozal, Turkey's Prime Minister, who is scheduled to visit London nert week has set accession to remaining 11 forging ahead on

THE GREEK Government yesterday lashed out against Britain and the Netherlands for lations with the European Community and warned that it considers premature any discussion of the subject at next Monday's EEC Foreign Ministers' Council. The Netherlands holds the presidency of the council.

"For 11 years, Turkey has occupied part of the territory of a country which has a treaty of association with the EEC and is a member of the United Nations, namely Cyprus. I am surprised that Britain, a guarantor of Cypriot independence, forgets this." Mr Theodore Pangalos, the Greek Minister for EEC Affairs, said at a press conference.

The Netherlands, Mr Pangalos criticised the coal is in the Eac to the other support in the EEC to the oth

next week, has set accession to remaining 11 forging ahead on the EEC as a top policy goal. a point of difference.

## Prague admits shortfall in economic performance

BY LESLIE COLITY IN BERLIN

CZECHOSLOVAKIA has acknowledged serious shortcomings in economic performance last year which were not reflected in the main published indica-

National income (equal to GNP minus services) rose 3.3 per cent and was slightly higher than the plan. Industrial pro-duction, up 3.4 per cent, was 0.6 per cent higher than the

0.6 per cent higher than the target.

Hard currency exports rose 0.6 per cent—also higher than the modest target—but the federal statistical office noted that the "efficiency" of foreign trade failed to improve, which implies a worsening in Prague's terms of trade with the West. It also said Czechosłowak industry's adjustment to the requirements of world markets "remains slow."

The statistical report said products rated as having light technical and economic standards amounted to 15 per cent of total industrial production, up to the following serious delays in completion of projects. The report said the number of unfinished investment projects, a widespread problem, rose in 1985.

The key sectors of electrical and economic standards amounted to 15 per cent of total industrial production, up

Fulfilment of the industrial production plan last year was described as irregular. The number of companies which failed to fulfil the gross output plan, 15.4 per cent, was greater than 1964.

Total industrial exports to the West rose only 0.5 per cent, while industrial sales to Comecon increased 7 per cent. Short-comings were also said to have persisted in "supplier-user rela-tions." This was a result of the

dards amounted to 15 per cent of total industrial production, up from 14.1 per cent in 1984. Czechoslovak economists, however, noted that the criteria for determining high standard products are not based on their competitiveness in the world market.

The key sectors of electricals engineering and electronics boosted output by 8 per cent last year, 0.2 per cent over target. But the introduction of electronics into the economy was "not being assured," the report concluded.

## Natural disaster insurance losses set record in 1985

BY JOHN WICKS IN ZURICH

HURRICANES and storms in tion insurance. The largest num-the US made 1985 the worst ber of victims ever claimed by the US made 1985 the worst ber of victims ever claimed by year on record for insurance losses due to natural disasters, according to a report published by Swiss Reinsurance Com-

In the US, insured damage in this sector totalled over \$2.8bn (£1.98bn), 25 per cent up on the previous record set in 1983. Hurricanes Elena and Gloria Hurricanes Elena and Gloria alone accounted for \$543m and \$419m respectively, while claims amounting to \$400m resulted from winter storms and cold weather in January and a further \$231.6m plus C\$125m (£63.4m) from tornadoes and hail in the eastern states and Ontario in May and June.

The worst human catastrophes were the Colombian volcano eruption which cost 23,000 lives, a typhoon and flash flood in

were the Columbian volcano eruption which cost 23,000 lives, a typhoon and flash flood in Bangladesh with an estimated 11,000 deaths and the Mexico City earthquake, which killed more than 5,000.

The report also speaks of an especially bad " year in avia-

claims.
Other major air disasters included the Air India crash off Ireland with 329 deaths and a total of \$133m hull and liability loss, and the Arrow Air accide

## Swiss GDP expected to rise by 2% this year

BY OUR ZURICH CORRESPONDENT

THE SWISS economy will con- plus on THE SWISS economy will continue to grow this year, though probably at a rather slower rate than the "unexpectedly sharp increase" last year, a report published by the Swiss Government's Economic Studies Commission forecasts.

government price-adjusted spending is seen as dropping to 1.5 per cent and that in total domestic investments — follow-

to rise by a real 5.3 per cent, including invisibles. The sur-

plus on current account is seen as improving further, from an estimated SwFr 9.55bn (23.44bn) last year to a record

SwFr 11.3bn in 1986.

The overall expansion of the economy should lead to a 3 per cent rise in industrial produc-Commission forecasts.
Gross domestic product, which went up in real terms by 3.8 per cent in 1985, is seen as rising by a "good 2 per cent" this year. This will result partly from an accelerated growth rate in private consumption of goods and services, which should go up by a real 2.5 per cent over the year.

Elsewhere, the increase in price-adjusted government cent rise in industrial production, which could be accompanied by a further 1.5 per improvement in productivity. With the labour force probably growing at a rate of 0.5 per cent — primarily in the sightly to 0.8 per cent, almost two-thirds of the 65,000-70,000 jobs lost during the 1982-84

#### Geneva arms talks

domestic investments — following zero growth in the building sector — to 1.9 per cent.

In foreign trade, both imports and exports are expected to rise by a real 5.3 per cent.

## Greece criticises Ankara fields top economic team for Ozal's UK visit

BY DAVID BARCHARD IN ANKARA

Cyprus will certainly be discussed in London, but, hardly surprisingly, it is being given low priority by the Turks. The emphasis now is on turning the diplomatic friendship between Britain and Turkey into something more durphle...and in the thing more durable—and in the process perhaps cementing Turkey's long-term ties with Western Europe, ties which have been strained several times

EEC move on

Iink with Turkey

NEXT WEEK'S visit to London by the Turkish Prime Minister. Mr Turgut Ozal, is more than just an attempt to set the seal om his country's move towards parliamentary democracy since 1983. It is also a sign that the Turks, who have lain relatively unnoticed for decades at Europe's doorstep, are now actively knocking at the door.

The visit on such inner tension. Mrs are now actively knocking at the door.

The visit is the first official on the Surgopean with Mr Ozal. The wo are both business-minded parliament who have lain relatively unnoticed for decades at Europe's doorstep, are now actively knocking at the door.

The visit is the first official on the subject at next mount and the Netherlands for support in the EEC to the other community and warned that it c the purchase of 40 Tornado jet fighters by the European consortium Panavia, of which Britain is a member along with West Germany and Italy. From the ECGD's point of view, the caution is understandable. It was defaults on payments by Turkey in the late 1970s which caused it to go into the red for the first time in its history.

A second hope of contention

Britain is a staunch

Vahit Erdem, will also accom-pany the Premier. All three men are graduates of British

western Europe, ties which have been strained several times in recent years.

Since the 1980 military coup in Turkey, Britain is considered in Ankara as one of Turkey's feated by the Japanese in a bid advocates in the European Community and the Council of Europe, helping to fend of Europe, helping to fend of criticism from human rights activists. Britain is well-placed to use its good offices on behalf of the Turks.

Though West Germany has a much more important trading relationship with Turkey.

Though West Germany has a much more important trading relationship with Turkey, set large Turkish migrant worker population in West Germany. Last July Chancellor Helmut Kohl became the first western and interest time in its history.

A second bone of contention of contention and the first time in its history.

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A second bone of contention as bid the second Bosporus to build the second Bosporus to build the second Bosporus to the Turkey the Turkey the Turkey the Turkey though since 1980 the number of British universities, as are most of Mr Ozal's time a bid to boosting its already growing to boosting its already second in boosting its already second in boosting its already

try's development effort.
To counter it, he would like more Western military aid. Last November the Government set

The most sensitive part of the country which the most sensitive part of the most sensitive part of the country which the most sensitive part of the country would probably the most sensitive part of the country would probably the most sensitive part of the country would probably the most sensitive part of the country would probably the most sensitive part of the country would probably the most sensitive part of the country would probably the most sensitive part of the country would probably the most sensitive part of the country would probably the most sensitive part of the country would probably the most sensitive part of the country would probably the most sensitive part of the country would probably the most sensitive part of the country would probably the most sensitive part of the country would probably the most sensitive part of the country would probably the most sensitive part of the country would probably the most sensitive part of the country would probably the most sensitive part of the country would probably the most sensitive part of the country would probably the most sensitive part of the country would probably the most of the country would probably the mo

Normalisation of Turkey's in 10 years' time, Turkey would relations with the Community now looks a better prospect. It is possible that Ecu 650m of Community and due under the fourth finanancial protocol, but blocked since 1981 because of Turkish Governments, including the process one of the assumption that in 10 years' time, Turkey would be a full member.

Turkey's 1963 association agreement is aimed at eventual membership of the Community and since 1980 successive Turkish Governments, including European objections to Turkey's human rights situation, will be

be reactivated.
Progress will to some extent depend on the human rights situation inside Turkey. Last By coincidence Mr Ozal's trip to London falls on the same day as the latest stage in the trial of 23 intellectuals and pro-fessionals jailed for most of the

visit will probably be Mr Turkish National Assembly Ozal's efforts to get Mrs accuse the Government of turn-Thatcher to take up Turkey's ing a blind eye to torture. Mr case in Western Europe and in Ozal and his Minister of the particular in the European Comparticular in the European Community. His arrival in London toolicides with a meeting of the EEC Council of Ministers at which Turkey's request for an early meeting of its Joint Association Council with the Community will be discussed. Turkey would like this to be held before April, while the Dutch, another friendly European power, still occupy the Community's presidency.

Normalisation of Turkey's interior claim that the allegaminer in the same products of a left-wing compaging to discredit the country and have no foundation.

Mr Ozal's sights, however, are set on much longer term goals. He is under firm pressure from the Istanbul industrial world to lead Turkey towards full membership of the EEC. He recently told industrialists that they should indeed be planning abend on the assumption that

the present one, have been committed to an application in

released either late this year the near future.

or early in 1987. The institutions of the association may also be reactivated.

Frogress will to some extent calendar year would be counter-Ozal's economic managers.

Britain is primarily interested in boosting its already growing volume of trade with Turkey. The Turks want to attract investment: Britain has not traditionally been a major investor in Turkey, though since 1980 the number of British companies in the state of the

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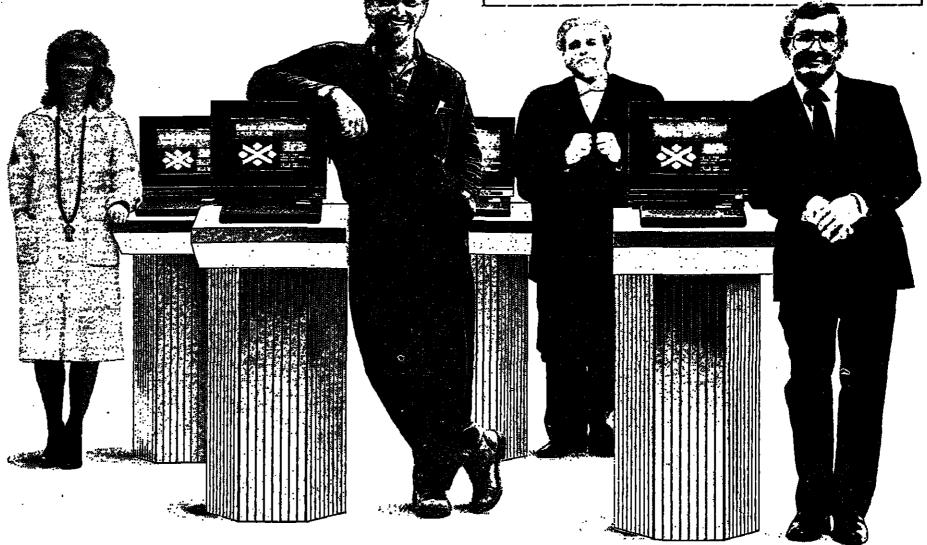
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THE RECENT collapse in world that the net cash flow of the \$15.68 and several analysts at barrel oil prices will reduce US oil US oil industry will be reduced the Exchange's seminar pre- Mr. l industry revenues by over by one-third. \$30bn (£21bn) a year and Speaking at sould lead to cuts of up to 40 outlook for the world's oil Mr Charles T. Maxwell, a per cent in annual capital spending by US oil companies, say US experts.

Speaking at a seminar on the latter.

Mr Charles T. Maxwell, a per cent in annual capital markets, organised by the New leading New York oil analyst and a vice chairman of New Lichtblau estimated that aver-York brokers Cyrus J. Lawrence,

spending by US oil companies, say US experts.

Mr John Lichtblau, president of the Petroleum Industry are based on the average oil prices is sustained, US companies will suffer a drop of between \$32bn and \$34bn in annual revenues from crude oil and natural liquid gas sales.

Much of the impact of lower oil prices will be reflected in lower tax revenues for the federal and state governments but Mr Lichtblau estimates

Mr John Lichtblau, president of the Petroleum Industry are barrel from an average 1985 price of \$26.50 per barrel from an average oil prices is sustained, likely impact on the US oil company of between \$32bn and \$34bn in annual revenues from crude oil and natural liquid gas sales.

Much of the impact of lower oil prices will be reflected in lower tax revenues for the federal and state governments but Mr Lichtblau estimates

Mr Lichtblau estimated that average York brokers Cyrus J. Lawrence, and a vice chairman of New Lichtblau estimated that average York brokers Cyrus J. Lawrence, and a vice chairman of New Lichtblau estimated that average York brokers Cyrus J. Lawrence, and a vice chairman of New Lichtblau estimated that average York brokers Cyrus J. Lawrence, and a vice chairman of New Lichtblau estimated that average York brokers Cyrus J. Lawrence, and the seminar that by the oil of the seminar that by the oil price "hits bottom, which is somewhat lower than "given the uncertainties of the external environment for oil rapital spending by lawrence, and the seminar that by the lodd the seminar that by the oil of the seminar that by the oil prices which is somewhat lower than "given the uncertainties of the external environment for oil rapital spending by a third to \$2bn, Mr Lodwrick Cook, Atlantic Richtilate which is somewhat lower than "given the uncertainties of the external environment for oil prices, these actions will prices, serve our operating and financial sextending the price of \$6 per barrel from an at that by the lodd the seminar that by the lodd the seminar that by the lodd the seminar

#### Venezuela wins anick deal on rescheduling

By Peter Montagnon, Euromarkets Correspondent

VENEZUELA has agreed to sign its \$21.2bn (£15bn) rescheduling agreement with commercial banks as planned on February 26, but changes in the schedule for repayment of principal will be introduced because of the steep fall in oil prices

reserves fall sharply, economic account of the oil price drop.

Instead Venezuela has agreed to review the oil price situation with its bankers shortly after stening is completed. This will allow a new timetable to be set of principle repayments.

reserves fall sharply, economic account of the oil price drop. Thus a standoff is now devestome form of interest alack in the budget can be perloping between Mexico and its mitted only as long as it can be made good with an increase allow a new timetable to be set of principle repayments.

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Thus a standoff is now devestome form of interest alack in the budget can be perloping between Mexico and its mitted only as long as it can be made good with an increase of reserved fall sharply, economic account of the oil price drop.

Thus a standoff is now devestome form of interest alack in the budget can be perloping between Mexico and its might be inevitable only as long as it can be made good with an increase of reserved fall sharply, economic account of the oil price drop.

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Speaking at a seminar on the further.

the Exchange's seminar pre-dicted that prices would fall shortly after Atlantic Richfield,

The oil price decline may be having a dramatic impact on the financial fortunes of US oil comone of the most successful US panies, but it is not likely to lead to any sharp change in the supply and demand balance in the US, which consumes around oil companies which has a big position in Alaska, announced it was cutting its 1986 capital spending by a third to \$2bn, Mr
Lodwrick Cook, Atlantic Richfield's new chairman, says that

a third of the world's oil

Mr Lichtblau does not foresee
any significant increase in con-

nption or decline in produc tion in the US in 1986 as a result of lower oil prices. Using his serve our operating and financial assumption that average prices flexibility."

assumption that average prices in 1986 are just below \$20 per flexibility."

in 1986 are just below \$20 per
Many Wall Street analysts
agree with Mr Maxwell that they

of perhaps 2 per cent in US oil consumption in 1986 and a drop

of around I per cent in production. Oil imports by the end of 1986 may increase by around 300,000 to 400,000 b/d.

## police use excessive force'

A US Government human rights report said yesterday that South African police have been using excessive force in dealing with black unrest and press freedom in the country has deteriorated. Reuter reports from Washington.

S. African

rights in 166 countries, said a serious economic downturn was a major factor in contriwas a major factor in contributing to South African unrest but it foresaw little possibility of sufficient growth to reduce high black unemployment. The report also said that serious human rights violations had taken place in the Philippines last year.

"Against the backdrop of slow incremental change and

"Against the backdrop of slow, incremental change and a deep economic recession in South Africa, political discontent and ferment increased dramatically in the nation's black and coloured townships in 1984-85," the report said. During 1985, it said, freedom of the press in South Africa deteriorated, even though newspapers continued where possible to criticise the Government and its policies.

Government and its policies.

The report said widespread unrest claimed an estimated \$43 lives, nearly all black, last year. "Police often quelled demonstrations with excessive force, utilising teargas, birdshot, whips and rubber bullets," the report said. It said police had also used live ammunition to disperse demonstrators.

The report said at least four detainees died in circum-

detainees died in circum-stances suggesting abuse by police who were allowed considerable latitude in arrest and detention of suspects.

Some people detained under the Government's state of emergency had alleged torture, the report said, by means said to have included "beatings, eardrum perforations, whippings, forced ingestion of foreign substances, including gasolene and human hair and electric shocks to genitals." Detailing what it called

serious human rights viola-tions in the Philippines, the itself to seek fresh loans abroad report said statistics were un-reliable but that there were many well-founded reports of human rights abuses by government security forces. These, it said, included summary executions of civilians, torture, arbitrary arrests, detentions, unlawful searches and seizures and dis-

in Cabinet reshuffle BRAZIL'S President Jose its efficiency since Mr. Sarney Sarney yesterday announced a reshuffle of one-third of his 27-member cabinet, but he maintained the relative strengths of the two ruling parties in the centre coalition.

Mr Sarney retained his two most important accommost acc

his personal stamp on the Cahinet.
In picking his new ministers,
Mr Sarney has mostly replaced
liberals with liberals and conservatives with conservatives, maintaining a delicate balance between the two coalition part-

tained the relative strengths of the two ruling parties in the centre coalition.

Mr Sarney retained his two most important economic decision makers, Mr Dilson Funaro, Finance Minister, and Mr Joao Sayad, Planning Minister.

Mr Funaro and Mr Sayad are the architects of Brazil's current policies of growth with controlled inflation, a rejection of International Monetary Fund austerity programmes to counter the country's \$100m foreign ners, the centre-left Brazilian
Movement for Democracy
(PMDB) and the centre right
Liberal Front Party (PFL). austerity programmes to counter the country's \$100hn foreign debt, and increased social spending.

There had been speculation about the future of Mr Sayad, who was sharply criticised last week by the outgoing Industry Minister, Mr Roberto Gusmao, for not acting quickly enough to sell off 47 state-owned companies listed for sale five months ago but still in debt, and increased social spending.

There had been speculation about the future of Mr Sayad, who was sharply criticised last week by the outgoing Industry Minister, Mr Roberto Gusmao, for not acting quickly enough to sell off 47 state-owned companies listed for sale five months ago but still in government hands.

Among the changes are new ministers of Justice, Foreign Affairs, Industry, Agriculture and Health.

The rew ministers, who take office today (Friday) are: Mr Paulo Brossard, (Justice): Mr Roberto Sodre (Foreign Affairs); Mr Jose Reinaldo Tavares (Transport); Mr Jorge Bornhusen (Education); Ms Iris Resende (Agriculture); Mr Roberto Santos (Health); Mr Jose Hugo Castelo Branco (Industry and Commerce); Mr Delso Euriado (Cultification); mean any significant change of rank). The name of a new course for the Government, but Social Security Minister was it is thought likely to improve due to be amounted last night.

## US retail sales growth falls to 0.1% in January

It was the weakest showing since October, when retail sales fell 3.9 per cent. The report was at odds with other data showing the US economy off to a strong start in 1986 after aluggish growth in 1985. The economy grew only 2.3 per cent last year after inflation, well below the Reagan Administration forecast of 4 per

US retail sales rose 0.1 per cent in January, down from because of continuing growth in December's sharp 1.7 per cent increase, the Commerce Department said yesterday, Render reports from Washington.

"Consumer confidence is high because of continuing growth inflation and declining interest rates," Mr Baldridge said. "There sheld be solid growth in household reporting this in household spending this year."

Retail sales totalled \$117.5bn in January, up \$96m from December. But excluding car sales, the total was only \$91.30m, a drop of 0.2 per cent from December.

Car sales rose 0.9 per cent last month after a 3.2 per cent rise in December.
Sales of durable goods, rose cent.

Mr Malcolm Baldridge, the sales of nendurable goods. Commerce Secretary, said he now expects "solid growth" in consumer spending this year.

He said that sales had risen in six of the last seven months and remain just below all-time slowed purchases in other categories.

Sales of durable goods, rose 0.6 per cent in January, while dropped 0.2 per cent.

Department stores sales fell behaviors and remain just below all-time slowed purchases in other categories.

## Bankers are uneasy after the oil price fall, reports Peter Montagnon Crisis looms on Mexican debt

Negotiations now under way on Mexico are make-or-break ones not just for the country itself but for the whole way

Dr Alex Boraine, a leading left-wing member of the white opposition Progressive

Federal Party (PFP) yester-

day announced his decision to follow the example of Dr Fredrik van Zyl Slabbert, the former party leader, and resign his seat in parliament.

the last four weeks he has visited Zaire. Angola and South Africa. These talks were followed by the visit to Washington of Dr Jonas Savimbi, the Angolan rebel Unita movement leader.

The latest round of talks in Geneva appear to be largely a

A DEEP SENSE of unease has although it relies on oil for 95 gripped the international banking community over the problem of Mexico's \$37bn foreign debt now that the oil price has slipped clearly below \$20.

Negotiations now under way

A DEEP SENSE of blease has although it relies on oil for \$2 per cent of its export revenues. Its debt is lower at some \$35bn and it has reserves of \$13.7bn.

By contrast Mexico faces an immediate liquidity squeeze. Though it publishes no regular for its facelier are though its publishes no regular. Though it publishes no regular figures for its foreign exchange reserves, most bankers expect them to be perilously close to exhaustion in the second quarter of this year unless it can arrange fresh foreign loans. If that happened, the Government of President Miguel de la Madrid might



because of the steep fall in oil prices.

Agreement on the signing was reached after only two days of talks in New York between Mr Manuel Appura, Venezuela's Finance Minister, and the committee of leading creditors chaired jointly by Bank of America, Chase Manhattan, and Lloyds Bank.

Bankers say the speed of the agreement suggests efforts are now under way to resolve as many outstanding debt problems as possible ahead of what many see as a looming showdown with Mexico on its \$97th foreign debt.

Under the agreement reached with Venezuela and its bank creditors there will be no change in interest margins set on the rescheduling. Venzuela will also meet a \$750m down or now payment of principal due or voking large losses for creditors in respect of 1985 and 1986 will be postponed.

The agreement lifts fears that the column of the eveloping country debt problem unarvels, sentor them to be perllously close to them to he developing country debt problem unarvels, senior them to be perllously close to them to head on the second quarter of this great free for foreign country debt problem unarvels, senior arrange freesh foreign canner in the second duarter of the seal the problem unarvels, senior arrange freesh foreign canner in the senior of the deal might have no choice but to withhold like the problem unarvels. The Mexican Government selections for Thus a standoff is now deve-loping between Mexico and its might be inevitable.

Mexico could need up to \$9bn in foreign finance this year. This is more than double the previous estimate of \$4bn. However, the committee of Citibank feels the new estimates. an average interest rate on foreign debt payments of 10.2 per cent and take no account of the prospects that non-oil exports could rise as growth picks up in industrial countries. One view on the committee is also that Mexico's needs could be substantially reduced if it took the type of measures proposed under the so-called Baker plan, which would include selling off state enterprises, cutting out bureaucratic waste and opening up its economy to foreign investment.

Bankers believe that Mr Jesus Silva Herzog, Mexico's Finance Minister, understands and agrees with the need for this type of policy but has yet to persuade President de la Madrid to adopt it. If he fails to do so, Mexico may have no option but to seek interest There is also a growing reluctance on the part of Mexico

just to meet interest payments to creditor banks. Barring a decision by the President in favour of economic reform, some form of interest rate relief That is something other hard-pressed debtors are watching closely. If Mexico wins—or im-

### **OVERSEAS NEWS**

## S. Africa denies change in policy over Namibia

BY ANTHONY ROBINSON IN JOHANNESBURG

MR PIK BOTHA, the South African Foreign Minister, yes-terday squashed speculation that his talks with a US delegation led by Mr Chester Crocker, US Assistant Secretary on African Affairs, in Geneva yesterday in-cluded a new South African willingness to set a date for the independence of Namibia in an independence of Namibia in an attempt to speed up the linked withdrawal of Cuban forces from Angola.

Tealgh Mc Cuban troop withdrawals followed renewed efforts Mr Crocker to seek a solution. In Color weeks he has visited

aware of any such decision by the South African Government," in a statement issued in Cape

The US and South African delegations remain tight-lipped on the substance of the talks which ranged widely over "bi-lateral and regional issues." In his policy statement at the openinternal and regional issues." In his policy statement at the opening of parliament two weeks ago, President P. W. Botha said that "South Africa remains prepared to implement (UN Sectify Council) Resolution 485 (which provides for un-monitored elections in Namible."

Geneva appear to be largely a follow-up to these talks in follow-up to these talks, aimed assessing the possibility of movement in Angola on the phased withdrawal of Cuban trouble.

Africa's proposal to assessing the possibility of movement in Angola on the phased withdrawal of Cuban trouble.

Africa's proposal to assessing the possibility of movement in Angola on the phased withdrawal of Cuban trouble.

Africa's proposal to assessing the possibility of movement in Angola on the phased withdrawal of Cuban trouble. provides for un-monitored elec-tions in Namibia) provided leader Nelson Mandela for a agreement can be reached on South African commando Cap-Cuban withdrawal from tain Du Toit imprisoned in

Angola."

Luanda, according to the official
Angolan news agency, AP rebetween Namibian independence ports.

## Chemical weapons

launched a two-pronged counter-offensive against Iranian forces

 Angola has rejected South Africa's proposal to release African National Congress leader Nelson Mandela for a Bangladeshi driver said A Bangladeshi driver said that life in Umm Qasr on

maintain their momentum, they could face encirclement in the peninsula south of Basra. Already, Iraq says its troops were tightening the circle around Iranian forces, who were "trapped in an arena of death" according to the death" according to the commanders of the 7th Army

rent round of fighting. Iraqi commanders replied that Iran-ian troops were doing the same. Iran has said that 17 of their soldiers had been killed from gas attacks and another 1.500 wounded, some of whom were shown to the press in Tehran

of a Tehran hospital, said mus-tard and nerve gas had been used on Iranian troops. Dr Sorabpour said his hospital had already received 85 victims and another 70 were expected later. Seven Arab foreign ministers

## Steven B. Butler explains why businessmen are happy about Seoul's policy change

## South Korea signals new economic direction

AT A RECENT reception for foreign bankers in Seoul, South Korea's newly appointed Deputy Prime Minister for economic planning, Mr Kim Mahn-je, told bankers with a broad smile, "It's going to be a good year."

Mr Kim predicted this week that the economy would expand by more than 7 per cent this year. Exports would grow by 10 per cent, helped along by falling oil prices and the strength of the yen, which makes South Korean goods relatively cheaper. He expected South Korea to run its first ever trade surplus, and that the current account will be roughly in balance.

The new Deputy Prime Minister's optimism has not yet infected the nation, where newspapers express open scepticism about the Govern-ment's target of 7 per cent growth in 1986. Growth last year is estimated at 5 per cent.

Yet businessmen in Seoul are happy about the reshuffle in the economic Cabinet. They say that Government views are now much closer to those of the business community, and they expect Mr Kim personally to add new vigor to the administration of mysement wellow. tion of government policy. As a taste of things to come, Mr Kim says he wants to post-

pone a series of major Government construction projects, pos-sibly including the Seoul-Pusan

Inflation 1980 '81 '82 '83 '84 '85 Mr Kim struck a new tone in longer can it hope to compete a series of public statements. Internationally solely on the He has never eschewed his predecessor's stress on the import-businessmen have hesitated to

S. KOREA

ance of price and monetary stability — indeed he says he agrees with it. Yet he has made it clear that his first priority is to restore growth and to increase employment, and he plans to achieve this by taking steps to encourage private business investment.

The restore growth and to increase employment, and he plans to achieve this by taking steps to encourage private business investment.

capital investment in South Korea slumped to 5.6 per cent in 1984, and was running at about 3 per cent in the first in 1984, and was running at about 3 per cent in the first three quarters of 1985. That compares with an average of about 16 per cent in the previous 20 years, and is far below measures that may lead to liquidation of companies in overseas construction, shipping, textiles, or plywood, where the country has been suffering from serious downturns.

In 1984, and was running at about 3 per cent in the first banks, has made investment in circulation plus bank deposits, finishing the year 15.6 per cent about 16 per cent in the prevailable funds into manner facturing industries.

Businessmen also say they want a stronger industrial policy—clear government introduced a supplementary budget bill, into uncharted fields. Athough serious downturns.

The country's capital needs have mushroomed as industry moves into high-technology, capital intensive areas. No

invest because of uncertainty in the business outlook and the high cost of money.

teps to encourage private busi plants, making precise profit calculations a secondary conspital investment in South rate of inflation, combined with a high interest rate policy designed to draw savings into

initiatives. That kind of leader-ship, they say, has largely been lacking, making businessmen nervous that they will be caught on the wrong side of a future Government decision. The new Deputy Prime Mini-ster has promised to correct that by finding ways to weed out declining industries, and suporting promising ventures in vehicles or electronics.

vehicles or electronics.
Friction between the Government and the business community began to build as economic growth plummeted in the first half of last year. Business leaders argued that in the face of an export slowdown, money simple growth was too money supply growth was too restrictive, and interest rates too high.

They complained bitterly that credit quotas placed against the big business groups to curb domination over the economy had put Korea's most dynamic companies into a straitjacket. Slowly the Government began to respond. Credit controls on business consluments companies of business conglomerates came off in August Monetary growth began to surge, with M2, money

involvement in the private sector makes many businessmen besitant to act without official assurances.

exports for the year to grow by 5.4 per cent, largely on the strength of an export surge in November and December. Some argue that given the stakes involved, South Korea second worst export perwill continue to need a Japanese style industrial policy, former Deputy Prime Minister with the Government gently bringing private business together for major industrial initiatives. That kind of leader-stin they say has leavely bear toward the content of the say in the say science since the economy had turned the corner. The new Deputy Prime Minister plans to continue spur-

Minister plans to continue spurring the economy along with a package of interest subsidies, loan guarantees, and tax incentives for small businesses. He has rejected, at least for the time being, the notion of trying to help small and medium businesses by adopting punitive measures against big business. Interest rates remain, however, the major outstanding ever, the major outstanding issue. The high indebtedness of most South Korean companies means that they must borrow money regardless of how much it costs, Businessmen argue that if the Government pushes down it the Government pushes down controlled interest rates in banks and secondary markets, investment can rise quickly. Such a move might also help more money to flow into the stock market and reduce corporate dependence on borrowed

Publicly, the Deputy Prime Minister says he will not budge yet on interest rate policy. But in late January the Government

## Singapore recovery plan includes tax cuts proposal

SINGAPORE'S specially-com- Brigadier General Lee Hsien will lead to a lower standard of per cent, with possible future across the board investment living in Singapore in the short reductions to 25 per cent.

The committee calls for a sinvestment in machinery and clash in employers' contribu-SINGAPORE'S specially-commissioned economic committee yesterday recommended sharp tax cuts and wage-cost reductions as part of its plan to lead Singapore out of its deep economic recession.

The committee's work has also brought General Lee into form the basis of official government policy in the coming recession.

The recommendations were made in a summary of the committee's detailed recomment.

The recommendations were made in a summary of the committee's detailed recomment.

The committee calls for a slash in employers' contributions to the Central Provident greater public prominence, intensifying speculation that he is being groomed to succeed his fether as Prime Minister.

Highlights of the committee's per cent reduction of wage to succeed his fether as Prime Minister.

Highlights of the committee's costs.

The measures are aimed domestic and foreign investments in machinery and equipment.

The measures are aimed broadly at increasing the return on capital, for both' potential fether as Prime Minister.

Highlights of the committee's costs.

The measures also call for a measu

due to be issued in instalments mendations, extended a long summary include an immediate costs.

The committee is chaired by port for the proposals, which taxes from 40 per cent to 30 two-year wage freeze and an years.

## **Marcos offers Aquino** a conciliatory hand

BY CHRIS SHERWELL IN MANELA PRESIDENT Ferdinand Marcos bishops adjourned without con-

tried yesterday to extend a con-ciliatory hand to Mrs Corazon assess the election outcome. Aquino, bis challenger in last Friday's disputed elections in the Philippines, as the opposi-tion readied a fresh programme of non-violent protests at his continued rule.

Mr Marcos's offer, hedged round with retaliatory acusa-tions that his opponents had intimidated voters, followed suggestions from US President Ronald Reagan that the two sides come together. But Mrs Aquino last night called on Mr Marcos to step down from office until the crisis was resolved.

The two protagonists' dramatic statements came as the my hand in conciliation and country's powerful Catholic brotherhood to my opponents."

The adjournment suggested that the bishops, who have tacitly endorsed Mrs Aquino, were split over a plan to back a campaign of civil diobedience. At the National Assembly, the tabulation of election returns finally began last night ahead of a formal vote count Mr Marcos's offer of concilia-tion sugested concern that matters might be sliping out of control. It was his second such statement in three days
In his statement, Mr Marcos deplored incidents of violence since the election. "As your president," he said, "I extend my hand in conciliation and

## claims in **Gulf war**

By Kathy Evans on the Kuwait-Iraq border

south east of Basra, amid accusations by both sides that chemical weapons were being used in this latest round of fighting in the Gulf war.

Officials in Baghdad said that their offensive was supported by intensive missile and air attacks and that the Iranians were now in "disorganised retreat."

However, Iran said its troops

However, Iran said its troops had captured another 18 sq miles of Iraqi territory yesterday bringing to 280 sq miles the area occupied west of the Shatt al-Arab since Sunday.

Earlier Iran claimed its troops had reached the Kuwaiti border on the Gulf and that remnants of the Iraqi army were surrounded in the inland port of Umm Qasr.

But just 20 km from Umm Qasr at the Kuwaiti border post of Abdall, incoming truck drivers said that the road to drivers said that the road to Basra was open and that there were still civilians in Umm

Wednesday morning seemed "normal." Unless the Iranians can maintain their momentum, they

Corps.

Iran has accused Iraq of using chemical weapons shiring Iran

yesterday. Dr Hamid Sorabpour, director have meanwhile called for an emergency meeting of the UN Security Council to discuss the latest fighting. reserves

balance

's policy de

THE WORLD'S BEST SELLING WHISKIES 1984.

1. SUNTORY OLD (JAPAN)

6-9 MILLION CASES PER ANNUM

6-9 MILLION CASES PER ANNUM

Source Impact International James 15, 1986.

# A CHILLING STATISTIC FOR THOSE OF US WHO REMEMBER THE BRITISH MOTORCYCLE.

Suntory make the world's top selling whisky. A similar achievement by Honda began the death knell of our motorcycle industry 20 years ago.

Like the motorcycle industry of today, the international drinks business of tomorrow will be ruled by giants.

And if Scotch Whisky is to compete, or even exist in the future, we must marshal our own considerable forces today.

It is for this reason, above all, that our offer for Distillers makes so much sense.

We will be of a size to take on our foreign adversaries toe to toe.

Our opinion is that Argyll, on the other hand, would make a less than perfect fit with Distillers.

Their background is in discount retailing, not in the marketing of premium brands.

And they have little or no experience of the stiff competition encountered in today's international drinks market.

Britain's recent industrial history is a catalogue of international opportunities missed.

Only Guinness can save us from the current Japanese threat.

Support the Guinness Distillers bid.

## **GUINNESS PLC**

Guinness and Distillers. A stroke of genius.

This advertisement is published by Morgan Grenfell & Co Limited and The British Linen Bank Limited on behalf of Guinness PLC. The Directors of Guinness PLC are the persons responsible for the information contained in this advertisement is in accordance with the facts. The Directors of Guinness PLC accept responsibility accordingly.

#### NOTICE OF REDEMPTION

To the Holders of

## INTERNATIONAL STANDARD ELECTRIC CORPORATION

## 12% Sinking Fund Bonds due 1996

NOTICE IS HEREBY GIVEN, pursuant to the provisions of the Indenture dated as of March 15. 1984 (the "Indenture"), between International Standard Electric Corporation and Bankers Trust Company, Trustee, that \$6,962,000 principal amount of International Standard Electric Corporation 12% Sinking Fund Bonds due March 15, 1996 (the "Bonds") has been selected by the

Trustee for redemption on March 15, 1986 at the principal amount thereof in accordance with the Sinking Fund provided for in Section 3.06 of the Indenture. The following are the serial numbers of the Bonds which will be redeemed in whole.

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Accordingly, on March 15, 1986 the Bonds so designated for redemption will become due. Payment will be made upon presentation and surrender thereof of the above Bonds at one hundred percent (100%) of the principal amount thereof in United States dollars, at the option of the holder, subject to any applicable laws or regulations in the country where each of the following offices are located, at the City Offices of Bankers Trust London, at the main office of Bankers Trust Company in Paris, at the office of Bankers Trust GmbH in Frankfurt, at the office of Banque du Benelux S.A. in Brussels, at the office of Banque Generale du Luxembourg S.A. in Luxembourg or at the office of Swiss

Bank Corporation in Basle. In accordance with Section 7 of the Bond, the Bonds designated for redemption will be payable on the Business Day (as defined in the Indenture) following March 15, 1986, at any one of the Paying Agents listed above.

The redeemed Bonds should be presented with all coupons maturing after March 15, 1986. Coupons maturing on March 15, 1986 and prior thereto should be detached and surrendered for payment in the usual manner. From and after March 15, 1986 interest on redeemed Bonds will cease to accrue.

INTERNATIONAL STANDARD ELECTRIC CORPORATION

By: BANKERS TRUST COMPANY, Trustee

Dated: February 14, 1986

## **UK** hope of winning India steel plant deal depends on aid

BY JOHN ELLIOTT IN NEW DELHI

have the opportunity soon to put up. carry out a major steelworks modernisation project in India if the British Government agrees to provide between about

The project is at the Durga-pur works in West Bengal built by Britain 22 years ago, which is one of three major integrated steelworks that ladia intends to modernise

The others are the Rourkela Steelworks, which may be sup-ported by World Bank funds, and the Burnpur plant of the Indian Iron and Steel Company (IISCO), for which aid of about \$500m is being discussed with

These projects mooted in About Rs 6.80n (£400m) nave been allocated for Durgapur in India's new Five-Year Plan, but mising output from existing steelworks during the next five mated to be needed in aid to years, instead of building any new integrated works.

The UK offered aid of up to £400m in 1985 for the British more details of the Indian plans at talks due to start in New integrated works.

work at Durgapur, then thought to be worth up to £500m, backed by Davy McKee which had just in London for the Durgapur lost a £1.25bn turnkey contract to build a new integrated steel- garded by the UK as economic.

offer of aid, partly because funds are committeed to other contracts such as Westland Helicopters for India, and partly because funds are contracts for India, and partly because funds are contracted for India. cause there may not be sufficient guarantees of follow-on work

The Steel Authority of India is believed to favour negotiating a consultancy and three tofour-year turnkey contract with British Steel, and would probably get full Indian Government velopment Administration

BRITISH COMPANIES may approval is sufficient aid were

But some senior Indian officials and advisers, who last different contract packages for the modernisation at Durgapur, believe the project should go out to global tender because tooknowledge as a technology would be needed from several countries.

Aid could then be sought from the winning countries. Japanese companies have al-ready shown an interest in being

The output of the works has declined from about 1m tonnes to 700,000 tonnes a year and India's steel authority wants to raise this to 1m-1.2m tonnes. About Rs 6.8bn (£400m) have

at talks due to start in New Delhi on February 25.

works in Orissa, Eastern India.

But India let the £100m aid come up with a sound-looking offer lapse.

The British Government might decide not to make a new projects such as coal, power-

dustan Zinc. An appraisal mis-sion for this project is due to leave the UK shortly.

British aid to India has been

running at well over £100m in recent years. India is the single biggest beneficiary of the money distributed by the Overseas De

## West German sales to China more than double

BY LESUE COLITT IN BERLIN

more than doubled last year to tries of the DM 6.4hr (£1.6hn).

This compared with a slight velopment fall in West German exports to the dram the Soviet Union to DM 10.5hn. German exp It was the second successive year exports to Moscow dropped. The decline, however, was less The decline, however, was less mill at Baoshan and other plan severe than experienced by and equipment contracts con

tinued to rise despite the prob-lems several of them were hav-China have long enjoyed an ing with their western debts.
The figures reflect what German businessmen have been say-

man businessmen have been say-ing for more than a year. Business is booming with China while the Soviet Union has been holding off on large purchases of plant and equip-ment. Moscow is still drawing up the Five-Year Plan for 1986-1990 which will determine whether the emphasis will be on structural changes in the economy leaving less room for large industrial projects sup-plied by the West.

WEST GERMANY'S exports to further drop in exports to the China, one of the fastest growing markets for its industry, West Germany and other countries of the Organisation for Economic Co-operation and Description of the Organisation for Economic Co-operation and Description and Descript

The dramatic rise in West German exports to China was partly accounted for by con-tracts such as the hot rolling west German experts to the Soviet Union's Comecon partners in Eastern Europe connects in Eastern Europ

advantage over their rivals. It stemmed from the contracts they signed with the Chinese before the World War I in which they were the first to recognise their Chinese part

ners as equals. West German sales to East west German sales to Eastern Europe, where Bonn has
led OECD since the early 1960s,
continued to rise. Despite
Poland's serious debt problems,
it boosted imports from West
Germany by more than DM
500m last year.

plied by the West.

The Germans are worried that Moscow's falling hard currency earnings from its oil sales in the West could lead to a German goods than in 1984.

## **Poland boosts exports** to Britain by 20%

BY PETER MONTAGNON

year-much faster than the overall increase in exports to the West which was only 5.4 per cent, a senior Polish offper cent, a senior rousin om-cial said in London yesterday. With British exports to Poland rising 84 per cent to £184.1m, this left Poland with a surplus in fix trade with Bri-tain of £136.1m, according to Mr Zygaunt Krolac, Commercial Minister at the Pollah embassy.
Coal sales, amounting to some
1.4m tonnes, had not dropped
since the end of last year's British miners' strike because of

the high content of specialist coking coal, he declared.

Mr Krolac said he expected the 17 British companies with

POLAND'S exports to Britain will allow foreign concerns to rose 20 per cent to £320.2m last enter joint ventures with Polish companies so long as their stake did not exceed 49 per cent.

The law should be passed within the next two months Although there would be no immediate rush of foreign investment inflows, this would pave the way for consideration of mechanisms to transfer some of Poland's foreign debt into equity along the lines already operated by some Latin American countries.

Mr Krolac said he expected a further increase in Poland's trade with Britain this year, although he warned that continuing debt problems with the West meant that it was now offices in Poland to take early concentrating more efforts on advantage of a new law before trade with its Comecon the Polish parliament which partners

#### India trade deficit soars

BY K. K. SHARMA IN NEW DELHI

INDIA's trade deficit in the first half of this financial year ber, 1985, were worth sourced to Rs 41.24bn (£2.5bn), Rs 91.42bn, a sharp rise from mainly because the country has Rs 73.45bn in the same months ceased to export crude oil.

Mr P. Shlv Shankar, Com-merce Minister, said exports for merce Minister, said exports for the half-year were worth Rs 50,18bn, a decline of 0.7 per cent compared with the first half of the previous year.

Even though exports of many feeting are for such bulk because orders for such bulk the first feeting are feeting are for such bulk the first feeting are feeti

items increased, India ceased to goods as fertilisers had been export crude from its Bombay completed in the first half. For High offshore field because it this reason, the trade deficit had now established refining was expected to be proportion-capacity to deal with crude pro-

of 1984. This was mainly because of an increase in imports of fertilisers, cooking oil, sugar, petroleum products and non-ferrous metals.

## Battle for Canadian defence deal

some senior Indian s and advisers, who last breathers been overshadowed by the array of "industrial beneirepared as many as 40 fits" each is offering in its

widely acknowledged as a pioneer in the art of negotiating industrial offsets for official con-tracts, has made clear that assurances of new factories in industrially backward provinces, export openings, technology transfers to Canada and joint ventures with Canadian com-panies will play an important part in the award of the con-

Each of the three groups has gone to remarkable lengths to oblige, and in the process each has tried to ally itself with the widest possible range of lobby

The Government expects to make its choice by late March or early April between proposals submitted by Bofors Ordnance of Sweden, and the two Swiss weapons suppliers Orlikon-Buhrle and Contraves. According to a senior defence officer, evaluation of the bids

the Canadian armed forces has reinforced Ottawa's reputation for getting its pound of fiesh from foreign contractors.

The merits of the three bidders' weapons systems have at times been overshadowed by tracts in several other countries, notably the US.

The proposal by Orlikon and its main partner, Litton Systems Canada is based on the new air defence anti-tank missile system (Adats) designed in partner-ship with the US company Martin Marletta.

The other two proposals combine missiles and guns. Bofors, whose partners include Canadian Marconi (52 per cent owned by GEC of Britain) and Ericsson of Sweden, has put forward its 40mm Trinity armoured gun and RBS-70 armoured missile. Contraves, in partnership with Raytheon in partnership with Raytheon Canada, is combining a 35mm gun and Sparrow missile with a Skyguard fire-control system.

The Contraves group has aken the lowest profile among the three bidders. Beyond con-firming that industrial benefits are "a major part of the pro-posals," a Raytheon official says "we prefer to remain silent." The other two companies

have taken this to mean that Contraves has not offered to build any new plants in Canada. The air defence system, the Instead, according to local re-largest defence order placed by ports, it has brought in the US

A HOTLY contested bid Canada in several years, is trading group Sears World between one Swedish and two needed to protect two Canadian Trade, which has offered to set industrial benefits package Swiss-led consortia to supply a air bases and a mechanised up an office in Canada and act low-level air defence system to brigade group in West Geras as a broker and promoter for

Despite its low public profile, Contraves has retained one of Canada's best-connected public relations companies, Public Affairs International (PAI), to press its case in Ottawa. PAI's <u>chairman</u> was in charge of transition arrangements when the present Progressive Conservative Government came to office in 1984.

By contrast, Oerlikon and Lit-ton have issued a steady barrage of press releases extelling the virtues of their proposal, notably the expected creation of 2,700 new jobs.

The radar factory which Lit-ton plans to build on Prince Edward Island if the Oerlikon consortium wins would be the biggest industrial investment in biggest industrial investment in the province. An Oerlikon sub-sidiary, Oerlikon Aerospace, has proposed putting up a vehicle assembly plant in Quebec. Western Canada has been pro-mised missile testing facilities in Alberta.

Oerlikon and its partners esti-mate that exports of components mate that exports of components made in Canada for the air defence system will reach C\$1bn clue yet to their preferences over the next 15-20 years, 10 among the three bids. An times the value of the local con-armed forces officer says that tent in the system to be delivered to the Canadian armed forces. They claim that their bid, which is based on a system not yet in production, offers the highest Canadian content of the

were submitted to the Govern ment last month. It includes local production of Bofors RBS-70 anti-aircraft and Bill anti-tank missiles, construction

of a software support and New Brunswick and numerous technology transfers, among Bofors 40mm Trinity ammuni-tion. In several cases, Canadian plants will have product man-dates for the entire North American market.

The Swedes' list of benefits extends beyond the defence industry. They have promised a "Bofors Nobel chair of Chemistry" at the University of New Brunswick, A Bofors sub-sidiary's existing sodium chlor-ate plant at Magog, Quebec, would be expanded at a cost of C\$31m.

A sister company, Nobel-pharma, says that its Canadian subsidiary will give dentists special training in a new method

the quality of all three "has been superb." None of the groups has yet emerged as a clear favourite, and all are relying heavily for the time being on the Ottawa grapevine

## Japan to renew US vehicle export curb

BY CARLA RAPOPORT IN TOKYO

restraints on vehicle exports to the US for another year to help ease trade friction between the

Ministry for International Trade and Industry (Miti) officials, will hold exports to the US to 2.3m units in the year beginning this. April. The restraint ceiling, which has been in place for five years, was raised to 2.3m units last year from 1.85m units for each of the previous four years.

Miti said yesterday that vehicle exports accounted for nearly one-third of the increase in the US trade deficit in Japan last year, which hit a record

It is understood that without the restraints, vehicle exports to the US this year were set to rise by about 20 per cent in

rise by about 20 per cent in unit terms.

Asked whether voluntary restraints would continue indefinitely, a Miti official said yesterday: "The US should not see voluntary restraints as a right."

Reaction among the major Investor, and analysis of vector.

Mr Yutaka Kume, president of Nissan Motor, said the decision was made "for political reasons rather than from the viewpoint of industrial issues." The original purpose of the weaken the arrestraints—relief for the US try as a whole.

HITACHI, one of Japan' lesding et nies, has won an order for 15 computer systems from the People's Bank of China in a deal said to be worth between \$25m and \$30m (£17.8m and £21.4m), Caria

Rapport reports.
This is believed to be the first Chinese deal involving major computer systems since the Cocom han en experts of computers was lifted in January.
Hitachi said yesterday that

the order from the central bank could be the first step toward selling systems to banks across China. As at September last year, As at September and As at September and I select of 100 computer systems to China, and total sales in the year ending last March were worth Y87bm (£263m).

achieved, he claimed Mr Kenichi Mr Kenichi Yamamoto, Mazda's president sald, consider-ing the imbalance and political situation between the two voluntary restraints for 1986. A Toyota official, Japan's largest vehicle maker, said the restrictions hinder free competition and would eventually weaken the automobile indus-

## SIEMENS

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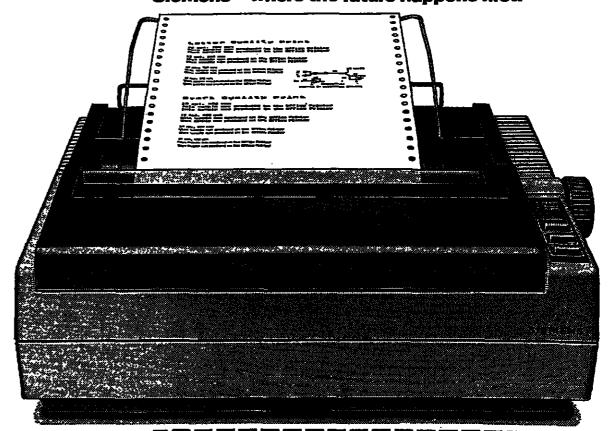
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## In the toughest year in computer history, why did one company rise above the crowd?

Prime must have something that the other companies don't.
Just look at the figures from calendar year 1985. While most of the computer industry was struggling, Prime just kept growing.

We created over 800 new jobs. Our sales increased by 20%—way above our competition. Our earnings reached record levels for the second year in a row. And our return on equity of 16% would make most companies happy even in a boom year.

What explains our unique success?

Our CEO would tell you it's because of our past investments in research and development. Or our solid product and marketing strategies.

Our financial people would say it's just a continuation of our previous 13 years of steady growth at 19% or better.

But the best explanation would probably come from our customers. They'd tell you that Prime simply offers the most timely, costeffective solutions in the computer industry.

Like the superior price and performance we offer in every kind of system, from the office to the computer room. And our leading software for key applications such as CAD/CAM and data base management.

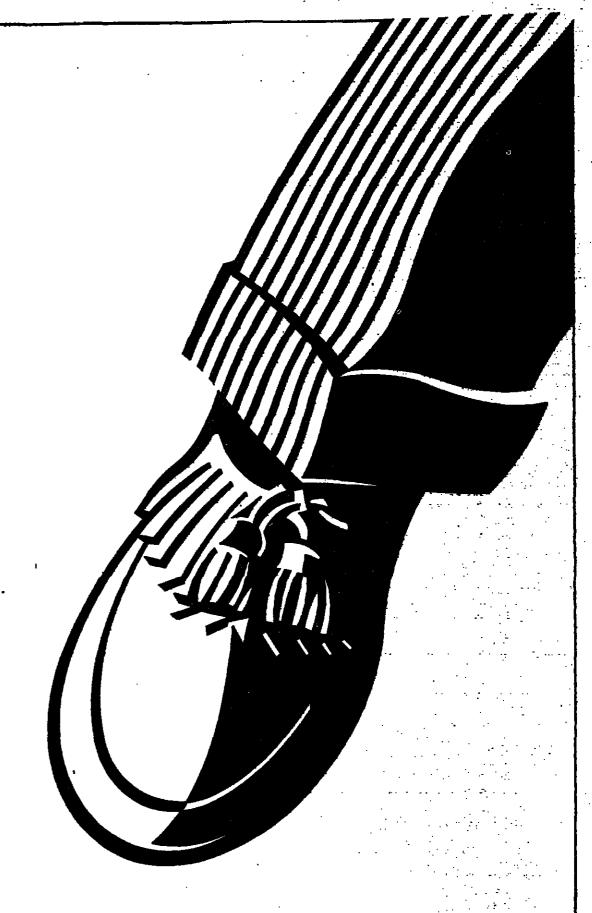
All of which means that Prime is perfectly poised to grow even . farther and faster in the years ahead.

Isn't it time you found out about the computer company that's head and shoulders above the rest?



It's time you knew.





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## **Extended powers** promised on City regulation

THE GOVERNMENT may have to MPs - was withdrawn after Mr change course significantly to though a significantly to the strengthen its proposed system for regulating the City of London after take steps to change the Bill before ressure in the House of Commons its third reading in the House of Commons. The power for the SIB

yesterday from Tory MPs. Commons. The power for the SIB directly to instigate a rule change the Securities and investments the Securities and Investments Board (SIB), Mr Michael Howard, Howard said. the Minister for Corporate and Consumer Affairs, gave MPs an under-taking that the Financial Services

The step broadly satisfied opposi-tion MPs, who are still pressing for Bill will be amended to give the SIB a stronger SIB with the status of a powers to change the rule-books of self-regulatory organisations (SROs), such as the Stock Exchange, without first obtaining a said that the minister had vielded

When the bill becomes law, the SIB is expected to receive delegated powers from the Government to supervise the work of the SROs, sion though it is regarded as an iswhich will conduct routine market sue of central importance. surveillance. The SIB said last night that the minister's decision was "very encouraging." We want there to be no doubt about our ability in a case of need to impose our rule on an SRO

Any major addition to the SIB's "might not be a sticking point, propowers is likely to be opposed by vided that there is adequate consulting London Stock Exchange, which tation, an adequate set of safe-considers that the bill as it stands guards, an appeals procedure, and gives the SIB the powers it needs to that the SIB's power is used only in alter the rules an SRO lays down an emergency."

Mr Howard's statement during a Security Dealers and Investment standing committee debate on the Managers (Nasdim) said that it was Bill. came after lobbying by the "sympathetic" to the SIB's proof for SIB, which won cross-party support from MPs concerned that it should have the necessary means to ensure that an SRO's rules give adequate protection to investors.

Mr Tim Smith (Conservative) talbed an amendment earlier this week with the backing of five fellow Tory back-benchers on the committee which would give the SIB power to consult an SRO and then after its conduct of business rules if necessary. He said: "If we want to do an fending Mr Howards's role as mineffective job we must give SIB the power it needs. It must be able to

city grant limit

BIRMINGHAM City Council, in a

rassing to the Government, is take

ing legal action against Mr Ken-

neth Baker, the Environment Sec-

retary. The Council argues that he

acted unlawfully in the way he has

limited the city's grant entitlement

for the forthcoming financial year

sult in the Government having to

reimburse the local authority for

around £50m of grant it should

Birmingham is concentrating le-

gal action upon the argument that

the Environment Secretary applied his grant limit to a "notional"

1988-87 level of £158m. The law

however, requires the limit to be ap-plied to the amount of grant actual-

ly paid in the current financial year,

Although the legal argument cen

tres on only 17m it raises the issue

of how many other local authorities

might benefit from any succes in

NOTICE OF REDEMPTION

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unremoturg Back Carmenties in Busis

ICE IS HERRISY GIVEN. Out Eighty Five and Dallars (186,1900) principal amount of theralters and hearing the following serial sex, have been drawn for redemption for rut (the Shaking Pand on Marrh 31, 1966 at of the principal amount thereof, together with

the courts by Birmingham.

(1986–87).

have received.

Test case on

turn on the exact wording." Mr

said that the minister "had yielded

The London Stock Exchange.

which firmly backed the Govern-ment's original proposal that the

SIB would have to get a court order before altering an SRO's rules, said

that the proposed change in the bill

But the National Association of

SRO's rules were inadequate.

might increase cross-party pressure

from MPs to make the board a stat-

utory body more clearly answerable

test c.e which could prove embar- VOLVO of Sweden is now in the not want Leyland Bus, M-C-W

It could enter an auction with Me-

tro-Cammell-Weymann (M-C-W),

part of the Laird group, which until yesterday seemed to have a clear

Mr Peter Morrison, Industry

Minister, said yesterday that, after

informal talks between Volvo and

BL, the Swedish group's merchant

bankers, Lazard Brothers, "have

registered that company's interest

in a possible merger with Leyland

Bus and have been invited to pur-sue any interest further with BL."

He was replying to a question

from Mr Dale Campbell-Savours,

Labour MP for Workington, north-

west England, in whose constituen-

cy Leyland Bus operates one of its

M-C-W's involvement came to

light last week when Mr Paul Chan-

non, Trade and Industry Secretary,

announced that talks for General

Motors, the US group, to acquire Leyland's truck operations and Land Rover from BL were at an

main factories.

from state-owned BL.

John Crekney, chairman of the British helicopter manufacturer, to give evidence.

Yesterday, the three-man com-nittee took evidence from Mr Alan Bristow, the single largest shareholder in Westland. Mr Bristow repeated his much-disputed allegations that he had been offered a seat on the Westland board and a premium price is shares at a meeting attended by Sir John and two

There is further controversy surrounding Wednesday's vote since the result was determined by six mystery shareholders bolding 20.33 per cent of West-land. Sir John said on Wednesday that he did not know their

Mr David Horne, managing di-rector of Lloyds Merchant Bank, which has been advising the rival European aerospace consortium, yesterday ruled out any legal ac-

tion to challenge the vote.

The stock exchange has discovered the identity of three of the six mystery buyers as a result of its share-dealing inquiry. It has established that the other three are represented by Swiss banks. Individually, none owns more than 5 per cent of Westland and is therefore not obliged to nominees (referring to Rowe & disclose its identity. Priman, Westland's brokers);

It is reliably understood that one mystery shareholder is a foreign industrial company with some operations in the UK, which acquired a 49 per cent stake in Westland in recent weeks, Two Swiss financial institutions hold a 4.9 per cent and a 1

There are two other share-olders with direct origins in the UK who hold stakes, while the other has a Swiss provenance.

per cent stake respectively on be-half of unnamed clients.

Sir John made no reference to Swiss banks in an opening state-ment to Wednesday's meeting of shareholders, but he said the company was aware of six nomi-nee holdings on the Westland register of shareholders: R & P Midland Overseas; Glyn's nominees, and Vidacos (referring to Scrimgeour-Vickers, brokers).

Rowe & Pitman said yesterday that of three nominee accounts mentioned by Sir John, two held shares owned by United Technologies and Fiat. These shares were part of a 9.9 per cent holding built up by Sikorsky/Fiat in the property to Wednesday's the run-up to Wednesday's

Yesterday, the Sikorsky/Fiat rescue, including a two-for-five: underwritten rights issue at 60p a share, took effect. Dealers said that the rights issue diluted shares in the market and Westland shares closed at 85p, down 23p on the day. During last month's hectic trading, when the mystery buyers figured, shares were exchanged at 151p a share.

telephones By Jason Crisp THE BRITISH Government and leading UK electronics companies are making a belated attempt to be-come closely involved in the devel-

Britain in

move over

radio

opment of a pan-European system for the next generation of cellular radio mobile telephones. Most of the work on the proposed European digital cellular radio system – which will cost about £100m to develop and is planned for intro-duction in 1990 - has been done by the French and West German telephone authorities in conjunction with companies in those countries. The Trade and Industry Department (DTI) and British Telecom (BT) have commissioned three stud-

companies which include STC, Ples-sey, GEC Marconi and Racal. The move is intended to focus UK esearch in the area and to help to influence the development of the standards which are to be decided at the end of 1987. Three years ago the British Government rejected pleas from France and West Germany to join them in a European standard for the current generation

ies into digital cellular radio by

of cellular radio, There are currently five field trials of digital cellular radio being carried out in Europe. Companies involved in a variety of consortia include, AEG, Bosch and Standard Electrik Lorenz in West Germany,

Matra and Alcatel, two subsidiaries of Philips and LM Eriesson of Sweden.

#### Mr Colin Davies

IN THE issue of the Financial Times on November 13 1985 we published an article concerning the uspension by Lloyd's of Mr Colin Edward Davies, a former director of the WMD underwriting agency and former underwriter for Syndicate 174/175. This article stated that Mr Davies had been found guilty of dishonestly misappropriating syndicate funds.

We are happy to confirm that the It appears, however, that Mr Maxwell's plan is to launch a colour northern edition of The Mirror daily newspaper printed on the presses of the Daily Record in Glasgow.

We are happy to confirm that the disciplinary committee of Lloyd's decision did not include any finding of dishonesty against Mr Davies and we regret the error in our previous report.

## Shares inquiry keeps Westland controversy alive BY LIONEL BARBER

THE LONDON Stock Exchange committee investigating share-dealing in Westland is to ask Sir

The stock exchange inquiry keeps the controversy surround-ing Westland alive, despite Wednesday's conclusive vote by shareholders in favour of the rescue plan put forward by Sikorsky, the US helicopter manufac-turer, and Fiat of Italy.

senior executives representing Hanson Trust and Sikorsky. Mr Bristow told the committee that the offer was made at a meeting on January 16 at Cla-ridges, the London hotel, with Sir John, Sir Gordon White, chair-man of Hanson Industries Inc., the US arm of Hanson Trust, and Mr Hubert Faure, senior execu-Technologies, the US conglomerate and parent of Sikorsky. He also said that Mr Faure repeated his offer in a telephone call later in the day when he had a witness

Sir John, Sir Gordon and Mr Faure have denied Mr Bristow's took place on the eve of last month's extraordinary general meeting to approve a Sikorsky/

FIRST MOVE TO MEET PRINT UNIONS OVER WAPPING DISPUTE

## Murdoch agrees to hold talks at Acas

NEWS INTERNATIONAL yestertion Service (Acas) in what might be the first move towards a resolu-tion of its dispute with the print unions over its new printing plant

at Wapping in east London.

This shift in the previously complete refusal by Mr Rupert Murdoch's company to re-enter any negotiations at all over Wapping came as leaders of the Union of Communication Workers (UCW) abandoned the union's blacking of Sun newspa. WESTMINSTER PRESS, the proper bingo cards in the light of a vincial press group, announced yesbecause of the possible need for court injunction obtained by Mr : terday that it is practically closing cial Times. swift action in an emergency if an Murdoch. It became clear, too, that "down its central editorial operation the NGA craft print union, unlike in London in order to cut costs, its sister union Sogat 22, will de Raymond Snoddy writes.

Twenty-nine staff are to be made contempt charge.

The NGA craft print union, unlike in London in order to cut costs, of the Financial Times group, who also became chief executive of the contempt charge.

The NGA craft print union, unlike in London in order to cut costs, also became chief executive of the contempt charge. There was speculation last night that adding to the SIB's powers

News International is to contact. The only two journalists to remain Aeas early next week to arrange a are Mr Mark Barrington Ward, the meeting between the company and London editor and former editor of Acas officials, who would be likely the Oxford Mail, and Mr Jack Fos-Mr Gould accused Mrs Margaret Thatcher, the Prime Minister, of "arrogance and insensitivity" in deto follow this up with separate exploratory talks with the print unions.

ister in charge of the bill against The move by News International came as a direct result of the interclaims that he is subject to a potenact quickly."

The amendment – which was of Lloyd's, the London insurance eral Workers' Union, whose members of the lorries of the vention of the Transport and Gen- for and free weekly newspapers bers are driving the lorries of the

running to take over Leyland Bus might buy it to form one British- IMPLEMENTATION of

ton. M-C-W has also said that Ley-

halve again by 1988. M-C-W produced 891 chassis last

director and general manager, said

recently: "We have been increas-

ingly concerned that we were com-

peting with a state-owned company

which

tionalised after a takeover.

land would have to be further ra-

owned bus business.

**Volvo declares interest** 

in buying Leyland Bus

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

NEWS INTERNATIONAL yesterday agreed to hold talks with the
Advisory, Conciliation and Arbitration Service (Acas) in what might
Times, The Sun and News of the
Times, The Sun and News of the Times, The Sun and News

WESTMINSTER PRESS, the pro-

ter, political correspondent.

wned bus business.

Volvo has a heavy commercial velicle assembly allowed business.

hicle assembly plant at Irvine in be taken a stage further next Tues-

Scotland, where it produces all the day when Mr George Younger, the double-decker buses it sells in the Defence Secretary, will receive his

approached BL about buying Ley. James Abrahamson, the project's land Bus three years ago director, in London.

land Bus three years ago.

The Swedish group indicated recently that, if it bought Leyland Bus, the only facility likely not to be set, in which Britsin is to take part

threatened with closure would be ject, ir which Britain is to take part the modern bus factory at Working under an inter-governmental agree-

In the five years to 1985, demand in the UK for double-deck buses Ministry of Defence (MoD) officials

halved to 1,000 and it is forecast to disclosed yesterday. Significant

year against about 1,400 by Leyland be two or three years away, they Bus Mr Peter Steadman, M-C-W's suggested.

losses and putting our future in | could go to Britain in the five years

with a state-owned company apparently was making gested by Mr Michael Heseltine, the former Defence Secretary,

Both will be based in the House

of Commons and the central service

to Westminster Press' 11 daily

newspapers and more than 70 paid-

will be restricted to political news

UK - only about 32 last year. It first formal briefing from Lt Gen starting block. Please don't judge

So far only 10 research contracts

worth a total of £1m are being nego-

tiated between Britain and the US.

contracts on the Strategic Defence

Initiative (SDI) programme could

There is considerable scenticism

in industry that anything like the

\$1.5bn worth of business first sug-

ment s gned in December.

BY BRIDGET BLOOM AND PETER MARSH

Times, The Sun and News of the World.

Early yesterday morning, after However, the company also insists in the private statement: "The Sun and News of the World.

TGWU officials have been holding a series of meetings with the company to discuss the position of company to discuss the position of the remaining the TNT joint negotiating the TNT joint negotiating the TNT is newspapers were not negotiative members at TNT, with the resulting the sun and distribution of the print unions.

However, the company also insists in the private statement: "The rights of those already employed in the print unions."

However, the company also insists in the private statement: "The rights of those already employed in the print unions."

business could not sustain a central

US to brief Defence Secretary

fice, set up in December, said a

gradual start was to be expected.
We still have one foot in the

The participation office - run from the MoD but including offi-

cials from the Trade and Industry

Department - has a staff of about

monitor but in no way control"

Mr Younger's meeting with Gen

Abrahamson is on the same day as

panies wishing to take part in the programme which is designed to

our speed yet," one said.

on progress of Star Wars

London office will not be enough on also lose their jobs.

However, senior officials in the far has been kept secret. Although

special British SDI participation of the memorandum of understanding

12 Its function is to "promote and er areas which could involve the

British participation in the SDI tion and technology.

operation on such a scale."

Westminster Press group cuts back

ous cutbacks. In 1983 the wireroom Mr Frank Barlow, chief executive was closed down and most of the service then was delivered to group newspapers by express rail.

The Westminster Press cuts resaid yesterday. The profits of the flect a general trend towards reducing the London offices of provincial

peration on such a scale."

The London office cost about £3m the Press Association news service last year when Westminster Press to which national newspapers and made a profit of £8m on a turnover most provincial dailies subscribe. of £114m. Mr Barlow has said his The journalists who are being aim is that Westminster Press made redundant covered such speshould begin to make profits of 10 cialist areas as motoring, television, per cent of turnover on an annual-foreign news and womens' features. ised basis by the end of this year. A number of editorial assistants It is clear that the savings at the and classified advertising staff will

governing participation will remain

classified, the MoD intends to issue a "sanitised" guideline in the next

few weeks for companies and uni-

mon research have so far been

identified by the US and the UK

Officials said there were seven oth-

transfer and exchange of informa-

These include battle manage

ment and command control and

communications, advance comput-

versities interested in participation.

Eighteen possible areas for com-

 Mr Robert Maxwell, publisher of Mirror Group Newspaper, said yes-terday he planned to launch a co-lour tabloid daily newspaper before

tained in its talks with Acas. Accordingly, the Acas talks may

well focus primarily on trying to se-cure some form of redundancy

package for the 5,000 print workers

who forfeited their legal right to

severance payments when they went on strike, deeming themselves

according to the company to have

the end of this month. The move is clearly designed to try to meet the threat from Mr Ed-dy Shah, whose national newspaper Today is due to be launched on March 4.

It was far from clear last night what Mr Maxwell's intentions are. When asked if the new paper would be a national title, Mr Maxwell replied "Yes," but did not elaborate.

## Halifax unveils plans to build homes

BY CLIVE WOLMAN

HALIFAX Building Society, the chairman, said that the society nounced plans to build 3,000 homes controller and financier, employing a year at an annual cost of £100m under the powers to be granted by sized builders with the back-up of the Building Societies Bill now outside project management spepassing through Parliament.

The society is the first to commit pany to be set up next year. The Building Societies Bill will allow societies to commit up to 5 per cent of their commercial assets to riskier activities such as unsecured lending and residential property develop-

Mr Richard Hornby, Halifax ing housing stock

would become a housing the services of large or mediumsized builders with the back-up of cialists.

It would rarely be competing with itself to specific plans to own and builders for land, he said, as local develop land. This will be done authorities would often be more through a housing subsidiary comthan a commercial developer to take over unused inner-city land. Mr Hornby referred to the re-

ports last year of the Duke of Edinburgh's commission and the Church of England which, he said; highlighted the problems of a deteriorat-

#### advanced stage. losses and He indicated that, while GM did jeopardy." that the research programme is ex- provide some details of the Star weeks. Christopher Parkes reports on how vending machines are being revamped

## Service automats advance on industry

THE MODERN vending machine is their rooms at odd hours. a far cry from the tea dispenser that operated on 10p and a kick. Microprocessors and fibre-optics are displacing mechanical innards and product quality and range have expanded greatly with the arrival of large denomination coins and smart credit cards.

In Japan, the automat concept has been so absorbed by one hotel chain that guests can pass through without requiring any personal con-tact with the few human staff on A video picture of the "reception-

ist" smiles at the front desk where the visitor, having paid a deposit, is issued with a sensitised card which operates doors, lighting, air conditioning, drinks machines and any of the assorted food and sundries dis-

The final charge is calculated when the guest checks out by a machine that reads the card, produces an itemised receipt and issues any change. Europe has yet to succumb on this scale, but the automat is

advancing rapidly.

Roboserve, a British specialist company, is already serving the staff areas of many UK hotels. Cooled machines dispense meals for consumption cold or for heating in a microwave oven. They have proved ideal for feeding staff on ing Jaguar, the UK motor compa-shifts or guests wanting food in my, for example, which started with

Mr William Fattal, Roboserve chairman, says that one UK chain, which uses the company's system to supplement its staff dining service,

claims to have reduced its total food

bill by 2 per cent. He offers his company's latest installation in Frankfurt's Intercontinental Hotel as an example of the advantages of vending machines. The rooms in one of the hotel towers have been fitted with Roboserve's automated minibars. Each contains up to 75 items. As

a bottle is removed, the "purchase" is automatically logged at the front desk and a fresh bottle slides into place. The hotel employs one person to operate the network. Eight people are employed in the hotel's second tower to service the conventional mini-bars – refrigerators with pads and pencils for re-cording purchases - and which of-

fer only a limited range.

The opportunity to reduce catering staff numbers and cut food costs has attracted hospital administra-tors, who are reluctant to keep kitchens in use 24 hours a day but need to offer facilities to night staff. Industry is also beginning to take to the idea of the automated canteen. Machines that can keep food fresh for up to 48 hours are slowly nudging aside conventional caterThe key, Mr Fattal stresses, is to shoot, Mayfair, which operates cilley's strategy of broadening the

provide quality products. "People garette machines, have a tight grip range of its services to the industri-will eat an airline meal once in a on certain sectors. Nestle has the will eat an airline meal once in a on certain sectors, we see the will eat an airline meal once in a will eat an airline meal once in a on certain sectors. We see that the would soon tire if it were offered every day, he says. The acquired company will be offered every day, he says. The acquired company will be offered every day, he says. The acquired company will be offered a change to break out of its main sales area in London. Break around operation. His company's machines all take china plates - another essential in-

gredient if the consumer is to be persuaded to relax his natural resis-tance to a faceless dispenser. Mr Fattal claims that one of his automats can save an employer up to 50 per cent of the annual cost of

subsidising staff canteens. The Roboserve system is one of the first in the UK to use the smart payment card. Vending equipment can be supplied which will deliver goods on insertion of a card coded to supply up to, say, £5 worth. The purchasing power of the card can be topped up in a machine that accepts £1 coins or other change.

Roboserve, in which City of London institutions such as ICI's and Esso's pension funds hold a 45 per cent equity stake, has developed from a strong base in the UK drinks vending business. Now, the compa-

in all sectors, the biggest manufacturers appear to be focusing their interest on the top end of the

Klix, owned by Mars, and Max-pax of General Foods, both with US-based parents, advertise heavily. Klix recently ran a campaign to cent over the last five years and by get its drinks machines into betting shops.
Sankey Vending, a subsidiary of

vending and executive catering con-industrial museum.

Roboserve drinks vendors, recently installed one of the company's automats.

In the UK, the competition is cern, in a deal worth about £3m.

The expertise of Breakmate procompanies, like the Gallaher off-vides a valuable adjunct to Sketch-

While there are several hundred small operators offering rental, filling and machine cleaning services cent of its bissiness in the City of the control of t London While other vendu panies have siffered from the prun-ing of manual workforces, the com-pany has hourished as office popu-lations have grown.

Its pre-tax profits have risen at Now, under the overall control of

Mr Tony Coles, chief executive of Sketchley's business-to-business services division, the company fits into the existing package of ser-vices, which includes workwear rental, contract cleaning and sup-Sankey Vending, a subsidiary of the GKN engineering group, was quick to spot the rapid growth in the number of sports halls and leisure centres. It is working on a stategy to have 3,000 machines installed by 1987 to supply anything from cooling drinks to squash balls

There are 10,000 companies in the contract cleaning and supplies of items like towels and soap. There are 10,000 companies in Mr

vending business. Now, the company is meeting success overseas. It is morking on a sam order from Canada for its minibars and is negotiating a \$10m deal with a US hotel



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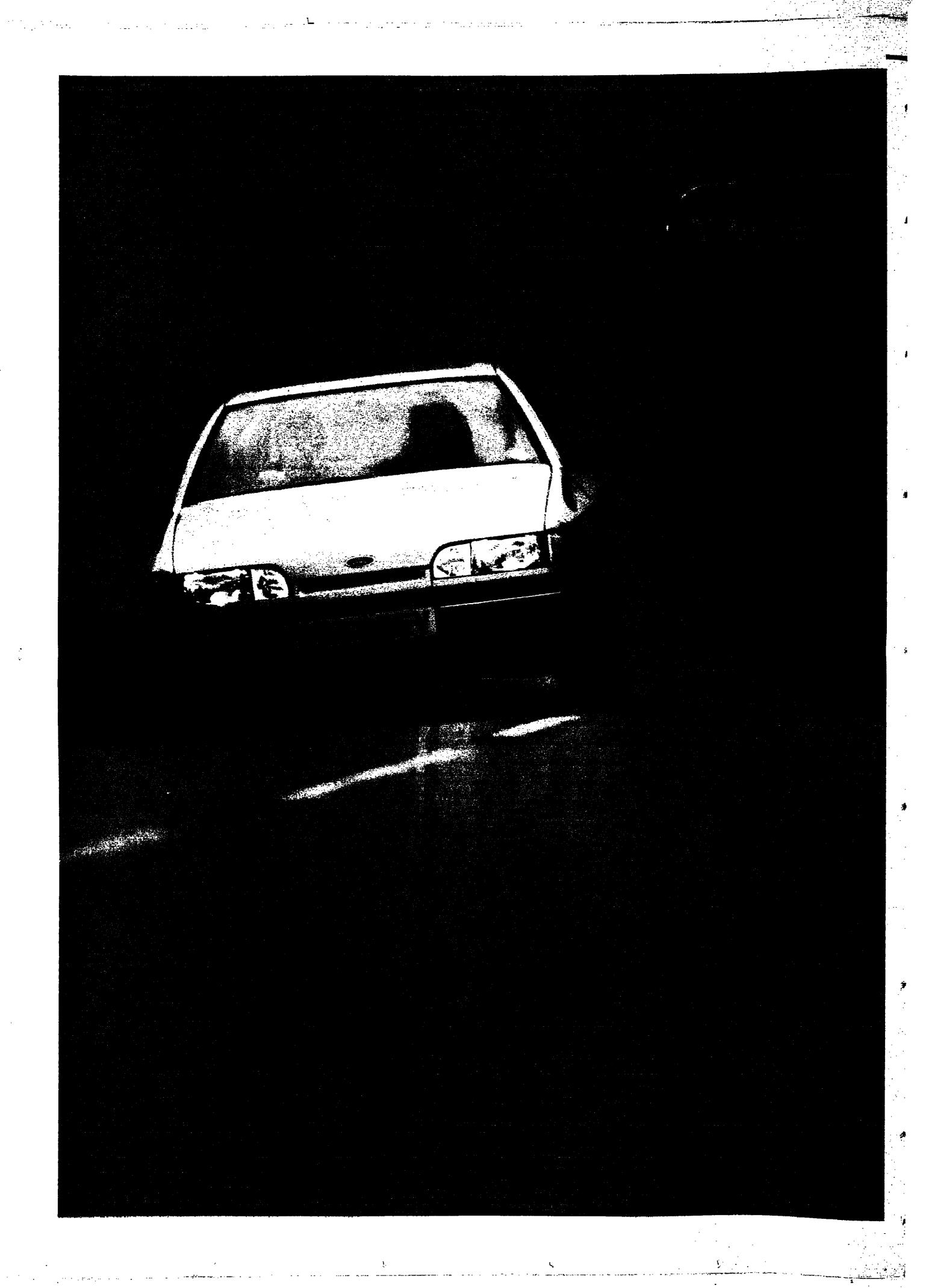
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# CAN YOU BBB BBBBBBBBRAKE 15 TIMES A SECOND?

THE FORD GRANADA CAN. IT HAS ABS BRAKES FITTED AS STANDARD ACROSS THE RANGE. HERE'S WHY THEY'RE WORTH HAVING.

Chances are you've never driven a car with ABS. Most people haven't. They're still comparatively rare. Furthermore, you're probably perfectly satisfied with the brakes you have already. No doubt they're excellent.

So why are Ford so enthusiastic about the ABS anti-lock system? What exactly is the advantage? To be perfectly frank, ninety nine percent of the time you won't notice the difference. ABS brakes feel exactly the same as any other disc brake system.

It's only in an out-and-out emergency that ABS comes into play. But when that happens, the system is extraordinarily effective.

Imagine yourself in the situation on the left.

You're cruising along a country lane, minding your own business, when, suddenly, a tractor bursts out of a gateway giving you no chance to stop. Maybe the driver's foot slipped off the clutch, or something as innocent as that.

Naturally enough, your first reaction is to stand on the brakes.

In fact, unless you're a brilliant driver, you'll probably brake too hard and lock the wheels. And everyone knows what happens then. No matter which

way you steer, you skid straight on.

The ABS system is designed to help stop that happening.

The system is equipped with tiny sensors which monitor the brakes on all four wheels. When you brake really hard, they can 'feel' if a wheel begins to lock and momentarily release and reapply the brakes.

It can do this at lightning speed – anything up to 15 times a second.

This stops the wheels locking, so instead of skidding across the surface, your tyres should bite into it.

That way you can make the most of the grip available and there's every chance that you'll be able to steer out of trouble. All you feel is a slight pulse in the pedal which tells you that the ABS is working.

We think that ABS is the most significant advance in braking systems since the invention of discs. In fact, it was one reason why the Granada was voted 'Car of the Year, 1986.' So you won't be surprised to hear that, more than any other manufacturer, Ford is committed to making anti-lock brakes available to far more people.

ABS is already an option on the Sierra XR4x4. And, far more interestingly, we have now perfected a new mechanical system for front wheel drive cars as well. This will be an option on certain of the 1986 Escorts and Orions.

And, knowing Ford, the story won't stop there.





catering

opens for

Transport Correspondent

By Andrew Fisher,

competition

BRITISH RAIL is planning a big reorganisation of its catering busi-

ness, with train and station services

to be run separately and opened up

further to outside competition.

## **ANNOUNCEMENT**

Turkish Airlines has two F - 28 MK 1000 Aircraft for sale and two DC - 10 - 10 Aircraft for sale, lease purchase or

| F - 28 | MK   | 1000 |    |
|--------|------|------|----|
| Sprint | Numb | ere  | 11 |

| Serial Numbers | 11060 | 11070    |
|----------------|-------|----------|
| Total Hours    | 19651 | 19946    |
| Total Cycles   | 22537 | 20130    |
| Engine Type    | Spey  | 555 - 15 |
|                |       |          |

#### DC- 10 - 10

| Serial Numbers | 46705 | 46907 |
|----------------|-------|-------|
| Total Hours    | 24233 | 23853 |
| Total Cycles   | 11985 | 14653 |
| Engine Type    | CF6   | - 6D  |
|                |       |       |

Available delivery date: Beginning April 1986 : Atatürk Airport Istanbul - Turkey Extensive spare parts, spare engines and gse are also

available for both types of aircraft. All interested parties should submit their written offers to the address below before February 25 th, 1986. THY reserve the right to accept / reject any or all offers or extend the deadline without assigning any reason

whatsoever. Aircraft, are still in service and can be seen at the Istanbul, Atatürk Airport. Technical specifications for aircraft, spare engines and list of spare parts and gse can be obtained from:

THY Maintenance Center, Atatürk Airport - ISTANBUL ATTN: Assistant General Manager Technical Phone: (90) (1) 573 71 51; Telex: 28883 BX TK TR SITÀ : ISTDFTK; Fax : (90) (1) 574 09 03



NOTICE OF REDEMPTION

Industrial Mortgage Bank of Finland Limited
(Suomen Teollisuus-Hypoteekkipankki Oy)

Land and Industrial Mortgage Bank Limited
(Maa- ja teollisuuskiinteistöpankki Oy)

Finnish Real Estate Bank Limited

(Suomen Kiinteistõpankki Oy)

81/1/2/8 Guaranteed Finnish Municipalities Bonds due March 15, 1987

NOTICE IS HEREBY GIVEN, pursuant to the Fiscal Agency Agreement dated as of March 15, 1972 under which the above-described

Bonds were issued, that Irving Trust Company, Fiscal Agent, has selected by lot for redemption on March 15, 1986 through the operation of the sinking fund, \$1,859,000 principal amount of said Bonds at the redemption price of 100% of the principal amount thereof, together with accrued interest to the date fixed for redemption. The serial numbers of the Bonds selected for redemption are as follows:

ned were saued, that fromg frost Company, reset Agent, has selected by for recemption or Marca 13, 1996 unrough a product interest to the dust fund for recemption. The arrain numbers of the Bonda selected for recemption are as follows are also as the selection of the Bonda selected for recemption are as follows are also as the selection of the Bonda selected for recemption are as follows are also as the selection of the Bonda selected for recemption are as follows are also as the selection of the Bonda selected for recemption are as follows are also as the selection of the Bonda selected for recemption are as follows are also as the selection of the Bonda selected for recemption are as follows are also as the selection of the Bonda selected for recemption are as follows are also as the selection of the Bonda selected for recemption are as follows are also as the selection of the Bonda selected for recemption are as follows are also as the selection of the Bonda selected for recemption are as follows are also as the selection of the Bonda selected for recemption are as follows are also as the selection of the Bonda selected for recemption are as follows are also as the selection are also as a selection of the Bonda selected for recemption are as follows are also as a selection are a

On March 15, 1986 there will become due and payable upon each Bond selected for redemption the said redemption price, together with interest accrued to the date fixed for redemption. Payment of the redemption price of the Bonds to be redeemed will be made in such coin or

interest accrued to the date fixed for redemption. Payment of the redemption price of the Bonds to be redeemed will be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts therein, upon presentation and surrender of said Bonds, with all coupons appertaining thereto maturing after the date fixed for redemption, at the corporate trust office of the Fiscal Agent, Irving Trust Company, attention Trust Services Department, Corporate Trust Window, 101 Barclay Street, New York, NY 10015, in the Borough of Manhattan, City and State of New York. At the option of the holder, such payment (by a United States dollar check drawn on a bank in New York City or by a transfer to a United States dollar account maintained by the payee with a bank in New York City) will be made, subject to applicable laws and regulations in the country of each of the following offices or agencies, at the main office of Irving Trust Company in London, of Kredietbank N.V. in Brussels, of Berliner Handels—Gesellschaft—Frankfurter Bank and of Deutsche Girozentrale—Deutsche Kommunalbank—in Frankfurt/Main; and of Kredietbank S.A. Luxembourgeoise in Luxembourg-From and after such redemption date, interest on the Bonds selected for redemption will cease to accrue. Interest coupons due March 15, 1986 should be detached from the Bonds and presented for payment in the usual manner,

February 14, 1986

## Tax levy on TV exports planned

By Raymond Snoddy

THE GOVERNMENT is to impose a 25 per cent levy on the profits that independent television (ITV) companies earn from the sale of television programmes abroad.

What is in effect a tax on televiion exports will be announced by the Home Office next week as part of a fundamental change in the op-eration of the levy system of special taxes paid by companies.

The levy on exports will be bal-anced by a reduction in the levy on lomestic profits from its present two thirds to 45 per cent. As part of the package, Independent Local Ra-dio which is having a difficult time financially, will be exempt from levy in future. At present, the ITV system pays a two-thirds levy on all profits above £650,000, or 2.8 per cent of profits, whichever is the

Since the system was introduced in 1965, the ITV companies have paid nearly £700m in levy which comes on top of normal taxation such as corporation tax.

Yesterday Mr Fred Silvester, a Conservative MP, wrote to Mr Nigel Lawson, the Chancellor of the Exchequer, complaining about the

Mr Silvester said yesterday: do. I am fully confident that we will This is, I think, the first occasion carry forward our policies to a laston which a Conservative Govern- ing and successful conclusion." ment has sought to impose taxes on



## Long-term unemployment Railway figures likely to worsen

ployed for more than three years in will continue to grow, the Manpower Services Commission (MSG), which administers the government employment and trading programme, estimates in its draft cor-

porate plan for the period to 1990.

The MSC says that the number of people who have been out of work for more than a year - the normal measure of long-term unemployment - will stabilise during the ear-ly part of the 1986-90 planning period Those unemployed for more than three years, however, were likely to continue to grow for some time after the number unemployed for more than one year has stabi-

One of the factors behind the prediction that the number of people memployed for more than a year

Community Programme for the the UK - already above 500,000 - long-term unemployed. At the present proposed rate of expansion

> Young people continue to be dis-proportionately affected by unemyment, with around 25 per cent of the 18 to 19 age group without jobs. The plan points out, however, that demographic factors are now reducing the number of teenagers entering the labour market. The 16 to 17 year-old population reached its peak in 1981 and in the 1988-1991 period will be falling by about 90,000 a year.

Against this background of continuing unemployment and struc-tural change in the labour market, the MSC corporate plan sets out a programme of objectives designed scheme, will consume a thi to provide a more skilled and adapt.

MSC's budget in 1986-87.

THE NUMBER of people unem- will stabilise is the growth of the able workforce and an efficient employment service. Priorities which the commission will be addressing during the next

> structure for 14 to 18-year-olds. • Working towards a more relevant and practical curriculum which has the confidence of industry in schools and colleges.

represents a four-fold increase over expenditure in 1979-80, largely as a result of the growth of the Youth Training Scheme and the Community Programme. YTS, currently being extended into a two-year scheme, will consume a third of the

The Prime Minister pledges con-

She says proposals will also be developed for "a radical re-casting

there will be about 300,000 people five years include: entering the programme in 1986-87. • Developing a more coherent vo-

It has no plans, however, to privaise its Travellers Fare catering company, which has an annual turnover of around £100m, mostly Attacking skill shortages. Total MSC expenditure planned for 1986-87 will reach £3bn. This on station services, and employs 5,000 people.

BR wrote to unions informing them that the split was taking place to make the best use of the group's financial resources. Mr John Pallette, BR's personnel manager, said the division into sta-

tion and train catering reflected the fundamental difference between Train catering would become an integral part of the BR InterCity op-

eration. But catering on trains would also be open to outsiders, one recent example being the serving by Travellers Fare staff of meals prepared by Trust House Forte for the London to Manchester service. BR told unions that most of the

staff would be unaffected by changes in the catering operation. It intends to offer sites on stations to outsider caterers, as it has with the croissant bars that have already

to say the railway was not designed

"You can use it any time, any

Mr Ward found he was struggling

against the islanders' native intelli-

"What do you think we are on this

time." came the response.

#### Policies on course, says Thatcher BY PETER RIDDELL POLITICAL EDITOR

MRS MARGARET Thatcher yester-

day vigorously reasserted the Government's main economic and social objectives for the rest of the current Parliament In a parliamentary written

answer to Mr Nicholas Soames, the Prime Minister said: "We are well on course but there is much left to

The clear aim is to highlight the Government's self-confidence, after its recent troubles. ther measures of privatisation and taking "all necessary action to deal with fraud."

The answer contains no new commitments. It principally reiterates tinued projection for retirement existing goals such as holding public spending broadly constant in elits against inflation. real terms, and reducing government borrowing and the proportion of national income taken by

Mrs Thatcher also stressed fur-

of the system of local government

## Isle of Dogs bites back

EVERY NIGHT, on the spit of land in east London called the Isle of Dogs, the islanders - the older among them are survivors of the London bombing during the Second World War - are gathering in com-munity balls to hit back at the latest invader. They agree they may not win, but they will put up a hard

comprising G. Ware Travelstead, the New York developer, the banks Credit Suisse First Boston and Morgan Stanley International, and the First Boston Real Estate group, which is planning Europe's biggest building project at Canary Wharf. The consortium, Canary Wharf

The invader is a US consortium

Development, wants to turn this slice of decaying docks into a £1.5hn financial services centre, with 71 acres of office space. An outline agreement with the London Docklands Development Corporation was signed last October and work will start this summer if government approval is given to extend Bank of England

Mr Ward fared worse. He didn't John Lloyd hears the mounting objections to even have the novelty value of being an American. He talked of the light railway and Mr Jordan cut in proposals for Europe's biggest building project

is not the only crossfire in which This week, at a meeting in the area's St John's Community Centre, Mr Sandy Csobaji, a director of the consortium, and Mr Reg Ward, the development corporation's chief executive, received some of the islanders' objections to the project.

Mr Csobaji is a quiet American with an unhappy look when the trouble starts. He says unfortunate things like: "We really tried to come up with a scheme which was really and truly of London and reflects the - character of the city."

"What?" said community member Mr David Jordan. "With these three skyscrapers? It's like New York. I've been to New York. I didn't like it."

Objections from the City of Lon-near the front at the community

for them. "When will we be allowed Joan Jordan, his mother, Mrs Rita to use it? It's private."

Jordan, his wife, and Ms Patricia "You can use it as Jordan, his sister. His mother, whose husband was a docker, has lived on the island for 58 years.

gence. He began a long answer to the effect that some people seemed "The wind at the bottom of these skyscrapers would blow you over." she said, sitting beside a model of to suggest docklanders couldn't be the scheme with its three dominattrained for new high-tech jobs, ing towers. "You literally can't but ... and got no further. Ms Patricia Jordan asked the

best question of the eyening. "Can I ask the American gentle-men if you get too much opposition from the people on the island -.

will you go away?" Mr Csobaji looked at the table.

Jordan. A chorus of voices demanded the

tradesmen on this island," said Mr

The Jordan family was sitting same question. "Will you go away?" "Oh do you?" he said closing the near the front at the community "I cannot answer that," Mr Csoba- trap. So how is it that none of them don Corporation over the extension centre. With Mr Jordan was Mrs ji said. "It's a commercial deci- got jobs building the railway?"

## Warship yard bidders plan share listings

BY ANDREW FISHER

SHARES IN Vickers Shipbuilding and Cammell Laird could be listed on the London Stock Exchange as early as this summer if the joint management and employee bid for the state-owned warship yards

The Government would also reeive a golden share, which it could use after privatisation to prevent control falling into the hands of outsiders in the UK or abroad. No shareholder would be allowed to hold more than 20 per cent of the

Employees at the Vickers yard in Barrow-in-Furness, Cumbria, and Cammell Laird on Merseyside, have been offered interest-free loans of up to £500 to buy shares. If they buy this amount or more they will also receive £150 worth of free shares. Employees and manage-ment could end up with nearly 25

per cent of the shares.

Trafalgar House, the property, construction and shipping group, is also interested in bidding for the

THE VOLUME of world shipping tonnage idle for lack of work fell sharply at the end of last year to its

lowest for nearly four years, as owners took tankers out of lay-up berths for scrapping or to benefit

British Shipping said.
Since the start of this year, how-

ever, tanker rates have fallen again, as the uncertainty over how far oil prices are likely to fall has unset-

tied trading, especially in the Gulf.
But scrapping of large tankers
has continued, with seven large vessels sold for demolition in January

as scrap prices increased in Taiwan and South Korea.

from higher freight rates. The laid-up total dropped by 5.2m deadweight tons (dwt) in December to 49.2m dwt - 7 per cent of the world fleet - at the end of 1985, the lowest since April 1982, when it was 48.3m dwt, the General Council of

Fewer ships

lying idle By Andrew Fisher

£10bn Trident nuclear submarine and missile project is cancelled. The Labour Party has promised

cancellation if it wins the next general election, but it has said that it will provide equivalent work.

The decision to seek share quotations in July or August arose because financial details needed for the buy-out prospectus were almost in line with Stock Exchange listing requirements, said Mr Richard Fortin of Lloyds Merchant Bank,

adviser to the buy-out consortium.

A listing will become possible, if
the consortium succeeds with its bid, once audited accounts for the financial year to March 31 1986 are available. This will comply with stock market rules that such ac-counts should be no more than six months old at the time of listing.

US DOLLAR
THE WORLD VALUE
BY THE FT EVERY FRIDAY

#### CASH DISTRIBUTION DECLARED

Enserch Exploration Partners, Ltd. has declared a quarterly cash distribution of 60 cents per unit, payable April 2, 1986; to unitholders of record March 17, 1986. Enserch Exploration Partners, Ltd. (NYSE-EP), a Texas limited partnership, conducts substantially all the domestic oil and gas operations of ENSERCH Corporation (NYSE-ENS).

For additional information, please write to Beniamin A. Browri, Vice President, Financial Relations, Dept. L. ENSERCH Center, Box 999, Dallas,

**ENSERCH** 

TO THE HOLDERS OF

## Charter International Finance N.V.

Irving Trust Company, as Trustee-under the Indenture, dated as of October 1, 1979, among Charter International Finance N V, (the "Company"). The Charter Company (the "Guarantor") and Irving Trust Company as Trustee (the "Trustee"), hereby gives notice that on November 13, 1985 the Company tiled a voluntary petition of bankruptcy under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the middle distract of Florida, Jacksonville Division (the "Bankruptcy Court"). The Guarantor had previously filed a Chapter 11 petition in the same court on April 20, 1984. Each such filing constitutes an Event of Default under Section 501 of the Indenture.

petition in the same court on April 20, 1984. Each such filing constitutes an Event of Default under Section 501 of the Indenture.

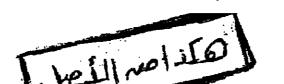
On December 31, 1985 the Guarantor filed with the Bankruptcy Court a proposed form of Disclosure Statement (the "Proposed Disclosure Statement") describing Debtor's Joint Plan of Reorganization (the "Proposed Plan"). The Proposed Plan provides for the treatment of the claims by creditors of the Guarantor, the Company and 43 affiliates of the Guarantor. Under the rules promulgated pursuant to the Bankruptcy Code, the Proposed Disclosure Statement and Proposed Plan will not be generally distributed to creditors until and unless the Proposed Disclosure Statement has been approved by the Bankruptcy Court.

The Bankruptcy Court has set March 18, 1986 as the last date upon which creditors may file proofs of claim in the Company's bankruptcy proceeding. The Trustee intends to file a Proof of Claim on behalf of the Det entureholders pursuant to Section 504 of the Indenture.

Irving Trust Company, as Trustee Corporate Trust Department One Wall Street New York, New York 10015

Dated: February 14, 1986

VORED STOCK CONTROL as Fiscal Agent CHECK EVERY DAY IN THE FT



bloody island," said an enraged man at the back of the hall. "How do you think we made a living be-"I didn't say ... said Mr Ward. "There's some bloody

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HIS NO

AT DEB

catering

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# Hanson's US profits. Are they a patch on what they seem?

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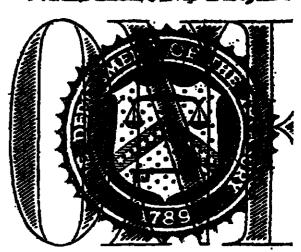
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WASHINGTON, D.



1985 James af Bake

Secretary of the Treas

In 1985, nearly half Hanson Trust's profits came from its US arm – Hanson Industries.

Between 1980 and 1985, Hanson Industries' profits increased by an apparently impressive £111 million.

But are they really what they seem?

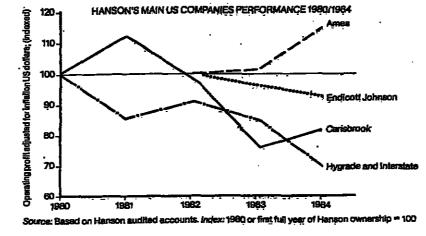
£96 million of that £111m. came from profits bought in – through acquisition.

A further £9m.came from the fortune of dollar/sterling exchange rates.

Which leaves £6m., a sad little 6%, from organic growth. Then take out inflation and we find that, in real terms, Hanson Industries' organic profits went

backwards between 1980 and 1985.

This chart shows company-bycompany performance, 1980 to 1984 (the latest available full figures):



Bleak figures: and maybe more to come?

Hanson Industries now owns a com-

pany called US Industries. Sir Gordon White, Chairman of HI, has a plan for US Industries: to apply "the same sound business principles that have brought uninterrupted growth and profitability to the different businesses acquired by us since 1973."

Sound? Uninterrupted? Growth? At least US Industries has been warned.

The Imperial way is to grow its own profit. Even in the States, that is not the Hanson way.



The sources for the information contained in this advertisement are set out or referred to in the press release issued by Hambros Bank Limited on behalf of Imperial Group pic, on the 10th February 1986. The directors of Imperial Group pic (including those who have delegated detailed supervision of this advertisement) have taken all reasonable care to ensure that the facts stated and opinions expressed are fair and accurate. The directors accepted responsibility accordingly.

European working patterns

## Few women are reaping the benefits of change

Hazel Duffy reports that, despite some progress, career opportunities for women are still limited, as is exemplified by the banking sector

CATHERINE KRUG displays a with only about one-fifth in the question asked in the way she does her job. In the ultramodern Brussels office which is But the question asked in the displays a with only about one-fifth in the following that the constraint of work are changing significantly with the implementation of new technology. the computer centre of Banque creasingly by women, some the computer centre of Banque creasingly by women, some trade union bruxelles Lambert, she is help-ployers and some trade union officials, is whether the social officials, is whether the social officials, is whether the decades ing decide how a new, com-puterised cash management ne should be packaged so as to have maximum appeal

She has just returned from a which week-long training course, held expect off the premises, where the technical aspects of the pro-gramme were explained. When the package is complete, she will visit clients, with a view to their taking the programme, and also senior managers in the branches, with whom she will discuss the marketing of other services growing out of the links between com-

panies and BBL.

Krug, 25, is one of a new breed of working women in Europe. She is breaking the obstacles which have tradition. obstacles which have tradition-ally surrounded women working in European banks and other organisations as anything other than clerks and machine operators. She came in as a Over the common of the c organisations as anything other than clerks and machine operators. She came in as a graduate trainee. Yet only a few years ago, few European banks took women in this capacity; now, haif BBL's graduate intake is female.

She works with new tech-nology out of choice. "I wanted to do something more exciting than traditional banking." she says. Her attitude towards her job and future displays a similar break with previous practice. She is married, and plans to have children. But she does not anticipate any break in her career as a result. She is ambitious. If, in two to three career as a result. She is UK the highest percentage is ambitious. If, in two to three in the 45-49 age group where years' time, she has not been over 70 per cent are working. years' time, she has not been promoted, she will consider leaving and starting elsewhere.

sentative of a small, but grow-

But the question asked in-creasingly by women, some em-

changes of the last two decades are being adequately reflected in the workplace in order to to the bank's corporate clients. give women the opportunities which more and more of them

In the 10 countries in the European Community, before the entry of Spain and Portugal, just over 40m women work; 66.5m men are in employment. More than a quarter of women work part-time, and some 9m of these part-time workers are married women (only 1.8m men quarters of part-time jobs are in the service industries. The incidence of part-time work part-time). About three-

in Italy it is just under 10 per

#### Expansion

The percentage of women working is highest in Denmark, Banking is an interesting Krug is undoubtedly repre- of where women are going. It entative of a small, but grow- is a growth area, although ing breed of women who are employment is tending to beginning to reap the benefits stabilise after the rapid expan-of change in Europe over the sion during the 1970s. It

In some countries, the banks also employ quite a high pro-portion of part-time workers (virtually all women). In Sweden, it is as much as 30 per cent; 19. per cent in Denmark; around 14 per cent in Britain; but only 2-3 per cent in France. Certainly in Britain, the proportion of part-time working in banking is on the increase—about half the extra 12,000 people taken on by the Big Four (plus Williams & Glyn's, and Courts) in the past four years are working

In Britain, at least, part of the reason might be the Govern-ment's encouragement of job-sharing, which is part-time working by another name. But Philip Jennings, head of the bank section in the Geneva-based federation of European financial trade unions, FIET, argues that the main reason is to get costs down. FIET is running a campaign to get partworkers to join unions, and also sponsors two projects with the European Commission, in London and Brussels banks, to promote equal opportunities for women. "Women working part-time have virtually no career opportunities and are frequently excluded from bene-

says Jennings.
Lack of benefits for part-time working is particularly marked in the private sector. In professervice, they are more civil likely to belong to unions and to have access to training and retraining facilities. frequently do not have the same opportunities as men particular those with family responsibilities, which make it

fits and pension arrangements."

difficult for them to attend courses outside working hours, past 20 years or so. Women are employs a high proportion of The advent of new technology branch network and implementation of technology. Other before — around half the undergraduate population in Britain. female, and in most European portant, not just training on women—Lloyds, for instance, for instance, is female compared countries it is between 40 and the job" but the chance to come, appointed in instance, is female compared.

not to be relaxed with new technology, which women's groups (and in some couperies groups (and in some coupries their governments) are trying to overcome with courses designed to increase general awareness of technology. Many women, however, are assen to expand their horizons theyofin the word processor — but they do not get the chance. BIFU, a union representing financial sector employees in

Britain, says in a recent study\* tion on women's jobs: Training for lower clerical grades is now almost non-existent. In-duction and cashier courses were chopped by all the big banks by the mid 4970s. Inhouse courses for specialist clerical work are being replaced by in-branch computer-based learning systems confined to the narrowest machining and procedural operations."

Women are particularly wil-nerable because they are so heavily engaged in the routine clerical jobs now being rapidly automated in banks and offices. "There are bound to be large numbers of ciercal jobs in promote equal opportunities, "and they will be pre-dominantly women." The Mid-land has 35 women in the management grade compared with over 3,000 men, but efforts

are under way to promote more women, not least by encourage-

neart of the women themselves and by "raising the awareness

show results at the Midland, despite the fact that there are promotion bettlenecks arising from the re-organisation of the



the total to 67, pearly double. women's rights in the European that of four years ago. In the supervisory grades, women fare, a bit better. Around 15 per cent of women in UK banks come into this category. But that is not as good as in France where 22 per cent of women in banks are in this grade. Even in Scandinavia, the status of women in banking is markedly lower than banking is markedly lower than

A survey carried out by the Nordic Banking Union con-cluded that aithough no formal distinction is made between men's and women's duties, for instance, in practice they differ considerably. "Women differ considerancy. Would are clearly over-represented in categories such as counter clerk, deposit, accounts, telephonist and secretary. Men securities, and overseas depart-

important issue of pay, women's wages lag well behind those of men. French women scored the highest in 1982 with 87 per cent of men's wages (all sectors except: agriculture), followed by Denmark's women with 84 per cent. West German working women received 73 per cent. cent of their male colleagues' cases where discrimination is wages, and British women 69 alleged.

64 per cent). Equality, say many women, is meaninglest without economic equality. Clearly the figures above demonstrate that women are far from having economic

Women are better armed against discrimination than they were, thanks to the activi-ties of bodies like the Equalof unemployment has led to a reaction, and women are now even being driven back into the home."

Raetsen's remarks owe much to the failure of the Commission to get member governments to adopt three draft directives drawn up in Brussels which would put working women on a more equal footing with men.

#### **Backing away**

equal pay and opportunities in the 1970s, the governments to-day are backing away from any make another attempt to get its directives adopted in its next four-year action programme starting soon. It will also hope to strengthen the earlier direc-tives in areas such as reversing

positive discrimination (or action, as the Commission prefers to call it) such as has been made by the governments of the US and Sweden is, it seems,

Many activists on women's governments such as the creation of a ministry for women's rights along the lines of that in France. The Mitter-rand government has given Cabinet status to the minister, and introduced measures such as making companies report annually on the relative status of their women employees. It is also using government conis also using government pres-sure on employers to provide specific facilities, such as train-

ing, for women. Even so. Yvette Roudy, the minister, is convinced that this is only a start. At a conference earlier this year she identified attitudes towards training as a key factor in perpenating the old hierarchy of women stuck on the lowest rungs of the ladder. "Training has to start at the education stage if women are to get into the higher-

skilled and creative jobs which have been the almost sole pre-serve of men." That statement would be echoed by women throughouf Europe, but there are still precious few signs that girls and women are getting the same sort of training as

But the biggest push towards equality will only come when employers recognise that the most are not even aware that they are doing it — is wasteful of a valuable human resource. there is slow, but growing, awareness of this fact. Jobs for the girls Banking Insurance and Finance Union 17 Hillside, London SW13

#### Management abstracts

Criteria changes during new product development. I. A. Ronkainen in Industrial Marketing Management (US), Aug 85 (8 pages)

Aug 85 (3 pages)

Describes an investigation (using data from four unnamed companies) into whether the same criteria—which are listed —are used to make decisions at each stage of the new product development process; suggest an orderly approach to innovation, with a uniform set of procedures, in order to reduce risk and improve profit potential. Premises audits. B. Williams in Facilities (UK), July 85, Aug Premises audits. B. Williams in Facilities (UK), July SS, Aug 85, Sept 85 (9‡ pages).

Having dealt with premises audits in general terms in a previous article examines in greater detail the dist centre "maintenance," stated most commonly to absorb approximately 20 per cent of a purilimitely 20 per cent of a proximately 20 per cent of a proximately 20 per cent of a purilimitely support of the proximately 20 per cent of a purilimitely 20 per cent of a p

get maintenance coats, and to compare immediate and deferred replacement of inefficient plant. Discusses setting of budgets, establishing pelicy controlling costs, and the premises auditor's report which it is stressed must be framed in the context of existent staff who will be there long after the auditor has gone. The series continues by homing in on insurance risks to be considered by premises auditors pointing out typical costs of insuring buildings and contents. Paralinguistics. J. Townsend in Journal of European Industrial Training (UK), Vol 9 No 3 (5 pages).

Defines paralinguistics as the way we say what we say and examines seven aspects of it—timing, emotional tone, speech errors, accest, choice of works.

examines seven aspects of fi-timing, emotional tone, speech errors, accest, choice of words and the placing of stresses, con-siders limplications for trainers. Fleet vehicle selection. B. Veale in Focus on Physical Dis-tribution Management (UK), July/Aug 85 (7 pages). Evaluates selection criteria for commercial vehicles, using a for commercial vehicles, using a process involving body and chassis definition, a user specification (which the chassis manu facturer will need to satisfy), and a market survey of avail-able models. Provides a three-stage selection procedure and comments on ordering and post-

These abstracts are con-densed from the abstracting journals published by Anhar Mauagement Publications. Management I necessary in Licensed copies of the original articles may be obtained at a cost of \$1 each (including VAT and p and b; each with them. Pt. Box

## **TECHNOLOGY**

## Putting the squeeze on car engine economy

researchers worldwide.

Engineers, in an attempt to devise lighter, smaller engines which consume less fuel and work more quietly, are making work more quiety, are maning postons using less metal and to closer tolerances, which are normally measured in microns (millionths of a metre).

A leader in the industry is the AE group, based in Rugby, Warwickshire, which has reduced the weight of pistons over the past few years by 30 per cent as a result of innovations such as computerised design, novel casting methods use of electron-beam

welding.

The work mainly applies to car and truck engines but also to motors which drive such equipment as tractors, industrial machines, boats and railways. to motors which drive such equipment as tractors, industrial machines, boats and rallways. They are connected to the total annual world market for piston assemblies (which is threaded horizontally pins) is about £1.5bn.

In the car industry, compans maunfacturers in ideas for pistons. Besides AE, leading to motors which is threaded horizontally are, in fact, elliptical in cross

sphere. The pressure is gradu-ally reduced as the metal cools to about 500 deg C. Any

This location, where temperatures of 700 deg C are common and where the pressure may rise to as much as 300lb a square inch, is the home for the pistons in a petrol or Diesel-driven reciprocating engine. These pistons are being examined by motor industry researchers worldwide.

piston producers include Mahle, Karl Schmidt and Nural of West Germany, Mondial of France, Dana and Eaton of the US and Art Metal of Japan.

Companies such as General Motors and Ford in the US and Fiat, Opel and Renault on the Continent which traditionally relied on their own factorles for pistons, are turining more and more to outside suppliers.

Pistons, usually made from silicon-aluminium alloy, are forced up and down on a thin oil layer as a result of explosions between a mixture

IMAGINE a hot, murky and deafeningly noisy chamber in which a small piece of metal crashes up and down at up to 100 times a second.

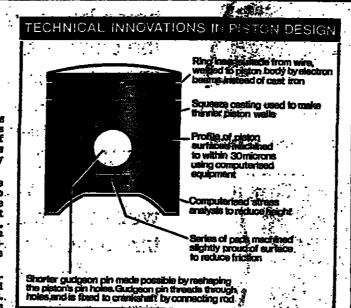
This location, where temperator to the humble section. The horizontal axis through the gudgeon pin is elongated, by a few tens of microns, to allow for distortions introduced in the piston by engine heating.

The curved surfaces of the pistons must be machined to high tolerances. They are tapered to correct for the fact that, after the engine is warm, the upper section of the piston (which is closer to the combustion chamber) will expand more than the lower.

Machining of pisons is virtually impossible with standard computer-controlled lathes.

Piston maunfacturers often make their own production equipment, they keep secret.

The oil film between the piston and the cylinder is no more than 10 microns thick. If the fit is too tight the piston may knock into the chamber, wasting energy through friction and producing noise through "piston slap." Too great a gap will lead to the escape of gas from the combustion area and AE, an engine components group, based in Rugby, Warwickshire, has spent five years refining technical innovations



Dr Alec Parker, managing director of AE Developments (AE's research arm), sains that thanks to squeeze casting and other innovations the company is now turning out for evalua-strain on elements such as bearis now turning out for evalua-tion in the motor industry pistons which weigh 30 per cent less than those in vehicles now. AE's pistons vary in diameter from about 5 cm to 50 cm; and weigh from 400 grams to 60 kg. Although pistons account for

thinner sides, which thus uses the engine height.

Another; effect is to reduce

Dr Parker says that mechanical improvements caused by a 30 per cent picturion in piston weight can lead to a gain of between 2 and 3 per cent in

## Sixfold route to making pistons more efficient

AE DEVELOPMENTS, responsible for the AE group's long-term research, has developed novel approaches to piston design which are expected to be incorporated in future car engines. These includes cavities due to Shrinkage are filled with extra metal, making the cast object stronger than conventional die-cast items. One problem is the technique's relative slow-Overall design. With the Squeeze casting. Aluminium use of computerised techpistons are normally made by gravity die casting, in which the molten metal, at about 700 deg C, is poured between the two halves of a die. As niques to work out the stresses on parts of the pistons, AE's engineers have reduced the thicknesses of piston walls. Pistons can also be shortened from 7cm to 5cm.

This is done by reducing the height of the "skirt," the smooth, near-cylindrical surit cools, the metal contracts, leaving tiny air bubbles in the solid metal which takes up the die's shape. In squeeze casting, the aluminium is pushed into the die under a pressure of 100face of the piston immediately under the rings that glides up and down on the oil film.

Reshaping pins. The gudgeon pin, which is threaded through two holes

piston and is joined to the crankshaft by a connecting rod, receives most of the stress on a piston.

Due to the vertical movement of the connecting red, the inner portions of each bore receive a greater stress than the outer segments. AE equalised these stresses by tapering the bores very slightly. As a result, the holes can be inset into the body of the piston, so reducing the the piston, so reducing the length of the pin from 9 cm to 6 cm in a typical piston.

Ring reinforcement. Around each slot for the piston rings, engineers normally insert into the piston bady a reinforcing layer of body a reinforcing layer of fron. AE's researchers have instead threaded into the ring slots a thin, light wire of

 Piston manufacture. AE has produced 40 computerised machines for piston produc-tion, which are in operation in the company's plants. Dr Alec Parker, managing director of AE Developments, says the machines are "priceless" and are not for sale to entsiders.

With the equipment, a technician can key into a control unit the exact shape, to within about 30 micross, of to within about 30 merons, or the piston profile which he requires. A diamond fool cuts out the shape on a piston blank while the latter spins in a vertical plane and moves sideways at the same time.

This is quicker than conven-tional piston production, in which technicians first pro-"master" piston by a machining process that can take perhaps 49 hours before then replicating this by a cam-driven lathe.

The process, forced upon manufacturers by the difficulty of profiling pistons with ordinary computerised lathes, is not only time consuming betweeks it difficult and costly to make the components in anything other than least some ponents in anything other than long guns.

• Friction reduction. AE has inserted into the cylindrical surfaces of its new pistons three surfaces of its new pistons three surface by about 35 microns, slide, on the film and reduce greatly the area of the piston that enters contact with the oil. So cutting mechanical

oll, see cutting mechanical

## Pure new testing agent will boost medical research

new biochemical agent for use in medical tests has started at Apcel, a UK-based joint venture between the US industrial group Air Products and Cell-tech, the British bio-science research company.

Apcel claims the agent will be much purer than others which have recently reached the market. It will also be ex-pensive: a small quantity is likely to cost several thousand pounds per gram, much the same as an exclusive perfume. Apcel executives believe, though, that it's very high purity will excite scientists designing new analytical tests for clinical, veterinary and food laboratories which are trying to detect the presence of a few

detect the presence of a few parts per billion of living molecules. In this way, human diseases and conditions can be identified with much greater certainty than before, alding doctors in making diagnoses and prescrib-ing treatment ing treatment.
It is the first commercial

product to emerge from Apcel since the company was formed in 1984 and is being made at its laboratories near Slough, Bucks, Apcel says it is drawing on skills in bioprocessing and newer kinds of analysis inherited from its parents.

The new product is a protein called strentsvidin refined

The new product is a protein of those who invent a new IA called streptavidin, refined from the soil bacterium Strepto test is to reduce it to a foolproof test kit.

The analyst is looking for very starting to arouse the interest of analytical laboratories.

Streptavidin itself is not new.

It was discovered in the 1960s in blood, for instance—or preby Merck Sharp and Dohme, the

during a search for new types of antibiotics. But further research was shelved after streptavidin was found to have only a weak antibiotic action. Interest has been rekindled recently by the discovery by several research groups that the protein has a powerful

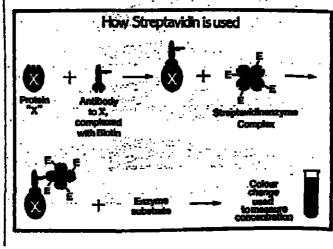
David Fishlock looks at a powerful new biochemical agent

affinity for the vitamin biotin, a small water-soluble molecule which is easily separated from egg yolk.

The bond between bloth and streptavidin has proved to be one of the strongest inter-actions yet found in bio-

chemistry.

For the analyst, this binding has a big attraction. Immunoassay (IA) is essentially an analytical technique in which the high technology is built into the chemicals, rather than into the analytical instruments. The goal of those who invent a new IA.



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tration of a molecule (x) which has been "labelled" so that it can readily be recognised later is reacted with a constant amount of antibody to that

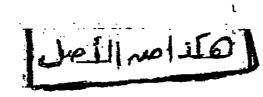
The analyst's new-found interest in streptavidin lies in the strength of the specific bond between biotin and streptavidin, which increases the sensitivity and speed of this kind of test. The bond can be adapted to a The bond can be adapted to a wide variety of commonly-used analyses such as radio-immuno-assay (RIA), enzyme-linked immuno-sorbent assay (ELISA), and DNA-probe diagnostics. In each case the concentration of the substance sought can readily be measured by the analyst. analyst.

analyst.
The signal which the analyst measures is provided by a streptavidin-bound "label" such as an emyme or a fluorochrome. The antibody and blotin ara joined first, and added to the protein to be analysed. Then the streptavidin and its "label" is added. This develops a colour change through which the conchange through which the con-centration of the protein can be measured.

According to Apcel executives, supplies of streptavidin so far have been few and "erratic." The only "bulk" supplier has been Scripps Laboratories in California, but others others can supply small

Apoel is using its own affinity purification system, combined with close control of the fermentation stage, to produce what it claims what it claims to be the purest source of streptavidin so farthe only one that offers single-band purity, says Dr Evian Ellis, its marketing director.

In the drawing, left, X, the molecule of interest is added to its antibody combined with biotia, and added to a known amount of the "labelled" molecule. The label used here is an enzyme. If unlabelled molecules of the same kind are then added from the sample taken for analysis labelled and unlabelled molecules will compete for a fixed number of hinding sites of the antibodica. As the concentration of unlabelled molecules increases, the amount of labelled ones bound to antibody will decrease.



D) azhao i Bił

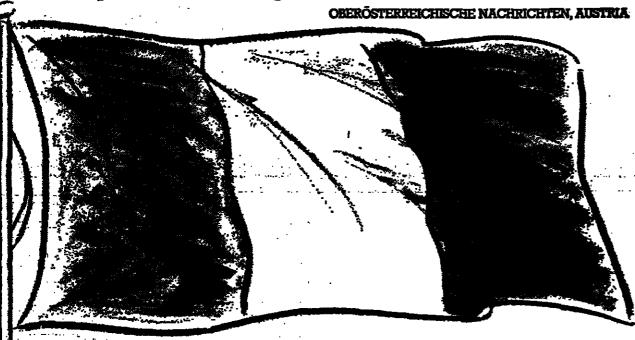
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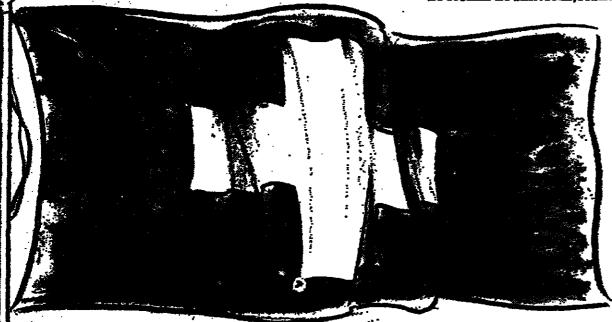
The XP deserves to succeed ... and certainly shows that PC software can operate even better when given the right machine."



"Its rapid 80286 processor and comprehensive features will teach the competition the meaning of fear



"The XP operates 350 per cent faster than the IBM PC XT and 125 per cent faster than the IBM PC AT." LOGICIELS ET SERVICES, FRANCÉ

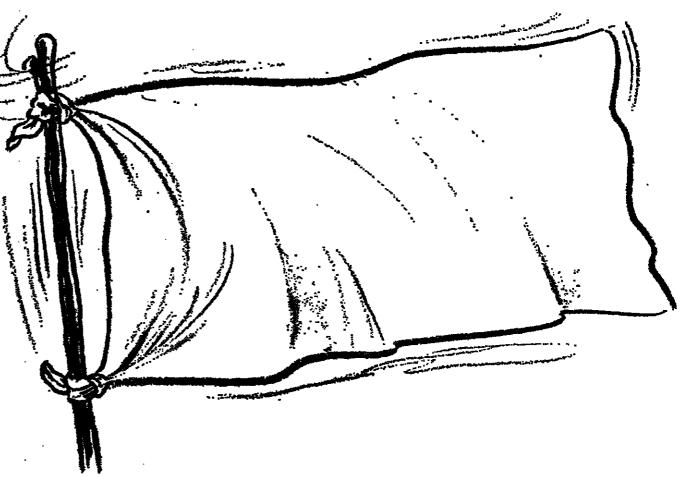


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"I would rather have an ITT Xtra XP on my desk than an IBM PC AT" PC MAGAZINE, USA

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## Opera and Ballet

#### **WEST GERMANY**

Berlin, Deutsche Oper: Oberon pro-duced by Herbert Wernicke has Peter Seiffert and Gudrun Siebert as leads. Lobengrin brings together Pi-lar Lorengar, James King and Ha-rald Stamm. Zer und Zimmermann is well done repertoire perfor-mance. (24.381).

mance. (34381). Hamburg, Staatsoper, Wozzek is ambing, Statistoper: Wozzek is steered to triumph by Anja Silja as Marie. Don Carlos, conducted by Guiseppe Patané, stars Grace Bum-bry, Natalia Troitskaja, Giacomo Aragall and Nicolai Ghiannov. Der Fliegende Holländer has fine interetations by Ursula Boese and artmut Welker. La Traviata and Katia Kabanova, the latter with An-Naga Rabanova, ine later with An-ny Schlemm, Gabriela Benackova, Siegfried Jerusalem and Franz Ferdinand Nentwig. (351 151). Sankfurt, Opera: Der Freischütz has Barbara Bonney, Helena Doese and

Walter Raffeiner Aida has Audikie Verdejo in the title role. Also Die Verkaufte Braut and Hoffmann's

Verkause brast and houmann's Erzählungen. (25621).
Cologno Opera: Katja Kabanova has Helga Dernesch and Günter Neumann. Zar und Zimmermann closes the week. (20761).

tuttgart, Württembergische Staats-theater: Matha, Loriot's first opera

production, includes Krisztina Laki, Waltraud Meier and Helmut Berger-Tuna. Siegiried is a Jean Pierre-Ponnelle production. Jules Massen-et's rarely played Werther features Yasuko Kozaki and Tero Hannula. (20321).

#### . PARIS

La Traviata alternates with a Ballet Speciacle, Un Jour ou Deux, in Merce Cunningham's choreography, and Washington Square in Rudolf Nureyev's choreography. Paris Opera (47425750). Britten's The Turn of the Screw con-

ducted by John Pritchard/John Burdekin in Cologne Opera's pro-duction realised by Michael Hampe. Opera Comique (42960611). ossini's Italian girl in Algiers in co-production by TMP-Chatelet and Ensemble Orchestral de Paris con-

Ensemble Orchestral de Paris conducted by Gabriele Ferro at the TMP-Châtelet (42334444).

Manrice Béjart's 20th century ballet Dionysos danced to traditional Greek music and to music by Manos Hadjidakis, Richard Wagner, Palais des Congres – Porte Maillot (42882075).

#### LONDON

Royal Opera, Covent Garden: Salome, another of the Royal Opera's numerous rather dowdy revivals of once-glamorous productions, has Gwyneth Jones as Strauss's blood-thirsty teenager, José van Dam, Helga Dernesch, and Robert Tear in other leading roles, and Andrew Davis as conductor. (240 1068).

Royal Opera House, Covent Garden: The Royal Ballet has a triple bill (Wed) with Frankenstein – the Modern Prometheus, Gloria and Consort

Milan: Teatro alla Scala: Ballet National de Marseilles produ

land Petit. Michel Sesson conducts. As (809125). Some: Teatro Argentina: Barber of Se

ville conducted by Marcello Panni and directed by Aklo Trionfo with scenery and costumes by Emanuele Luzzati. In the cast Angelo Romero, Alicia Nafe, Sesto Bruscantini and

Alcia Nate, Sesto Bruscamini and Silvano Pagliuca (6544602). Selogna: Teatro Comunale: I Vespri Siciliani in what should be an exciting new production by Luca Roncomi with scenery and costumes by Pasquale Grossi. Riccardo Chailly will be condusting here for the first will be conducting here for the first time and the principal roles will be sung by Bonaldo Giaiotti, Deriano Lucchetti and Susan Dunn. (222999).

Turin: Teatro Regio: Un Ballo in Maschera conducted by Donato Renzetti with Juan Pons, Maria Chireactive men Gonzales. (548000).

Imples: Testro San Carlo: Andrea Chenier by Umberto Giordano conducted by Romano Gandolfi and directed by Carlo Maestrini. In the cast are Nicola Martimoci, Giovanno Canalla and Pierro. Carassolilla. na Casolla and Piero Cappuccilli.

#### NETHERLANDS

Utrecht, Stadsschouwburg, New pro-duction of The marriage of Figaro (in Italian) from the Netherlands Opera directed by Bhoda Levine, with the Netherlands Philharmonic and the Opera Choir conducted by Hartmut Haenchen. Jake Gardner as Figaro, and Sylvia McNair as Soas Figaro, and Sylvia McNair as Su-sanna (Thur). (310241). Instardam, Carre Theatre. The Hondistad Operetta production of Lehar's Graf von Luxemburg (Tue to Thur). (225225). Jederlands Dans Theater on tour with

Steptext by Forsythe, and Kilian's ballets Stamping ground (Chavez) and Svadebka (Stravinsky). Mon in Leeuwarden, De Harmonie (139225), Tue in Enschede, School burg (32 32 33). Wed, Thur in Amste dam, Stadsschouwburg (24 23 11).

msterdam, Stadsschouwburg. The National Ballet with Haydn sym-phony by Linkens, and new ballets by Hans van Manen and Toer van Schalk. Tue in Scheveningen, Cir cus Theatre (558800), Wed in Eindhoven, Schouwburg (111122), Thur in Nijmegen, Schouwburg (221160), matelveen, Cultureel Centrum. The Royal Ballet of Flanders with Pro-koney's Cinderella choraographed in Valery Pancy

by Valery Panov.

arcelona Opera season: Das Rhein-gold with Bent Noron, Heinz-Jurgen Demitz, Christer Bladin and Horst Laubenthal, conducted by Matthias atzsch, Gran Teatre del Liceu Sant Pau 1. (3189277).

Statisoper (5224/2655): Manon Les-caut conducted by Sinopoli with Fre-ni, Hintermeier, Weikl, Smetana's Die Verkaufte Braut; Fidelio con ducted by Fischer with Meler, Gha-zarian, Kollo, Grundheber, Adem: Die Zauberflöte conducted by Guschlbauer; Luisa Miller conducted by Buckley, Tosca conducted by Buckley with Meier, Merighi, Adam, Maly, Kunz.

olksoper (5324/2657): Nicolai's The Merry Wives of Windsor, La Bo-hème, Heuberger's Der Opernball.

#### **NEW YORK**

Metropolitan Opera (Opera House): The week features Samson in the ine week reatures sanson in the joint Covent Garden production by Elijah Moshinsky with costumes and sets by Timothy O'Brien con-ducted by Julius Rudel with Leona Mitchel as Dalila and Jon Vickers in the title role. The week also includes Romeo et Juliette with Catharine Malfitano and Neil Shicoff in the title roles, conducted by Sylvain Cambreling as well as the last seasons performances of Idomeneo. Lincoln Center (3626000).

#### LONDON

The Scarlet Pisupernel (Her Ma-jesty's): Donald Sinden in resplen-dent plummy-voiced form as Baruness Orczy's one-man resistance movement to the French Revolumovement in the French Revolu-tion. Opera director Nicholas Hyt-ner's efficient and sparkish produc-tion has smoke, tumbrils, rat stew and rolling heads. (9304025). As You Like It (Barbican): Much im-

proved since last year's Straiford-upon-Avon season, Adrian Noble's loosely Edwardian production now emerges as a secret-garden adven-ture where Rosalind (Juliet Stevenson) has the sisterly devotion of Cel-ia (Fiona Shaw) threatened by Or-lando (Hilton McRae). A superb Jacques from Alan Rickman. The RSC Barbican repertoire also includes a fine Othello with Ben Kingsley and, in The Pit, Christo-pher Hampton's absolutely breath-taking unmissable version of Les this most joyful and literate of musicals, a fitting tribute to the recently deceased co-librettist Abe Liaisons Dangereuses (628 8795).

loises Off (Savoy): The finniest play for years in London, now with an improved third act. Michael Blake-Burrows (9308881). more's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (836 8888).

tarlight Express (Apollo Victoria): Andrew Lloyd Webber's rollerskat-ing folly has 10 minutes of Spielberg ing folly has 10 minutes of Spielberg movie magic, an exciting first half and a dwindling reliance on indiscriminate rushing around. Disneyland, Star Wars and Cats are all influences. Pastiche ces. Pastiche score noda towards rock, country and bot gospel. No child is known to have asked for his money back. (834 8184). lyn Herbert designs. (437 3656).

42nd Street (Drury Lane): No British equivalent has been found for New York's Jerry Orbach, but David Merrick's tap-dancing extravaganza has been rapturously received.

Barnum (Victoria Palace): Michael Crawford returns to London with his breathtaking performance as

the circus impresario, adding one or two new tricks in a likeable me-ringue of a musical. (834 1317, credit cards 8284735). Pravda (Olivies): Entertaining epic new play by David Hare and How-ard Brenton for the National Theatre in which an unscrupulous South

African magnate acquires Britain's most prestigious newspaper. A Jonsonian satire on the grand scale with an irresistible performance by Anthony Hopkins as the colonial who penetrates the Establishment while a nation dithers, (9282252). White a named dispers, (122-224).

Guys and Dolls (Prince of Wales): The 1982 National Theatre production has arrived in the West End, if anything improved by the new casting of Lulu as Miss Adelaide and the notably well sing black Sky Masterson of Clarke Peters. Richard Eyre's production and John Gunter's affecting production and John Gunter's affi tionately lavish designs co

Torch Song Trilogy (Albery): Antony Sher plays Harvey Fierstein's four-hour triptych of the life and loves of a drag queen fighting for emotional and domestic stability. Truthful playing has the effect of cruelly exposing Fierstein's tackily uneven writing (836 3876).

Writing (600 3616).

Gigi (Lyric): Unconvincing stage revival of Lerner and Loewe's film follow-up to My Fair Lady, Beryl Reid rising inimitably above the material, Jean-Pierre Aumont and Sian Phillips lending more conventional support. John Dexter directs, Jocethy Herbert decigns (427 3580).

Lennon (Astoria): A not too critical calebration of the life and music of John Lennon that is enjoyable especially for the musical resourcefulness of the cast and Mark McGann's look and sound alike

Blithe Spirit (Vandeville): Excellent revival of Coward's cternal triangle comedy, notably well costumed and lit, with Jane Asher and Joanna Limiter fleshy and atherest foils to Simon Cadell's sexually threatened uwe novelist. Marcia Warren is a fine Arcati, a serious amateur in woollens and psychic research from South London. (838 9987).

Interpreture (Queen's): Love among the diplomats, according to Ronald Harwood has a superb role for the matchless Maggie Smith renewing a cross-cultural affair with Edward Fox in the shadow of a summit tween The Soviet Union and Brit ain. Fluent direction by Peter Yates of the West End's best new play of the year. (7341166).

#### NEW YORK

Cais (Winter Garden): Still a sellout,
Trevor Nunn's production of T. S.
Eilot's children's poetry set to trendy music is visually startling and
choreographically feline, but classic
only in the sense of a rather staid
and contribute idea of theatricality. and overblown idea of theatricality.

and overblown idea of theatricality.
(239 6262).

2nd Street (Majestic): An immodest celebration of the heyday of Broadway in the '30's incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020).

Brighton Beach Mesneirs (48th St): The first instalment of Neil Simon's mix of memories and jokes focuses on a Depression-era Jewish household where young Eugene falls awkwardly in love with his coustn. (221 1211).

(221 1211). Cherus Line (Shubert): The longest

A Cherus Line (Sambert): The longestrunning musical ever in America:
has not only supported Joseph
Papp's Public Theater for eight
years but also updated the musical
genre with its backstage story in
which the songs are used as auditions rather than emotions. (239 6200).

La Cage and Folies (Palace): With some bineful Jerry Harman songs, Harvey Fierstein's adaptation of the French film manages, barely, to capture the feel of the sweet and hilarious original between high-kicking and gandy chorus numbers. (187266).

Fin Not Rappaport (Boeth): In moving to Broadway, Herb Gardner's touching, furney and invigorating play

ing, funny and invigorating play about two oldsters retains its stars,

almost conquer the world when they, think they are just bickering with each other. (2396206).

Big River (O'Neill): Roger Miller's music rescues this sedentary version of Huck Finn's adventures down the Mississippi, which walked off with many 1985 Tony awards almost by default. (2460220).

Judd Hirsch and Cleavon Little, who

almost conquer the world when they

#### WASHINGTON

ation (Arena): Edward Bond's combination of contemporary pol combination of contemporary por-tics and 18th-century high linx with music by Nick Bleat is directed by Sharon Ott. of the Berkeley Rep. (488 3300).

#### CHECAGO

Fences (Goodman); James Earl Jones plays a 1950s baseball player cap-able of being in the major leagues but subject to discrimination bebut subject to discrimination be-cause he is black, in August Wilson's latest drams about the American black experience. Ends Mar 9. (443 3800).

National Theatre, London, Ian McKellen and Edward Pather-bridge's NT group: Stoppard's The Real Inspector Hound produced by Stoppard: Sheridan's The Critic pro-duced by Sheila Hancock, Théatre de l'Europe – Odéon Théatre (43257032). (43257032).

# (836 8108). Coppelia with choreography by Ro-Are your computers tor you?

# Oragainst vou?

Did you know that companies which lag behind in the use of information Technology are six times more likely to have a poor financial performance within their industrial sector than the companies which have readily adopted IT?

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system, installing too much capacity or by applying IT to inappropriate business areas. Yet IT is a powerful management tool providing the means of improving efficiency, enhancing customer service and, above all,

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and on budget.







#### Music

#### ITALY

Miles: Teatro alla Scala: Bernd Weikl (baritone). (Mon) Box office: 809 126. Naples: Teatro san Carlo: Michele Campanella, piano. Bellini, Wagner, Mozart and Gounod (Mon). (41826). Woofalcone: Teatro Comunale: Pergo-lesi's Stabat Mater and sonatas. Clemencic Consort conducted by Rene Clemencic. (Thur) (470470).

Essemble Orchestral de Paris: Bartik, Stravinsky (Mon). Audiforium de la Secem, 225 eve Charles de Gaulle. Neuilly (45628757). Katia Biccharelli recital (Mon). Théà-tre de l'Athenée (47426127). Tatiana. Nikolaeuna misnor Bach, Baethura. Nikolaevna, piano: Bach, Baathov-en. (Wed). Saile Gaveau (45632030).

#### LONDON

Dmitri Alexeev, piano. Chopin. Queen Elizabeth Hall (Mon). (928 3191). Bach Choir and Philharmonia Orchestra, conducted by Sir David Willcocks, with Ann Mackay, sopra-no. Bruckner Mathias and Patterson, Royal Festival Hall (Tue). (9283191).

wasterdam, Concertgebouw. Edo de Waart conducting the Netherlands Keuris, Bruckt Philharmonic. Keuris, Bruckner (Mon). The Concertgebouw Orches-tra under Hans Vonk, with Dmitri Alexeev, piano. Mendelssohn, Pro-kofiev, Debussy, Ravel (Wed, Thur). Recital Hall: Schuhert piano recital by Imogen Cooper (Mon). Gay de Mey, tenor, and Raphaella Smitz, guitar (Tue). Gabrieli String Quartet (Wed). (718345).

Madrid: Chamber music cycle at Tea-tro Real, with Spanish Chamber Or-chestra accompanied by Steven Dann, viole Barber, Bloch and Told-Madrid: Cham ra. Plaza de Oriente 4. (Tue).

(241 9739). fadrid, Mozart Cycle at Foundation Juan March: Trio Mompou. Castello 77. (Wed). (4354240).

(571 1689).

#### TOKYO

The Boston Symphony Orchestra, conducted by Seiji Ozawa. Bartók, Bee-thoven. Hitomi Memorial Hell. Showa Women's College, near Sangen-jaya. (Tue). (571 1689).

#### **Exhibitions** PARIS

Homage to Paul Delvaux. Distant and solitary in their cool perfection, their large eyes unseeing, Delvaux's nucles people his dreamlike universe. The one touch of realism comes in the painting of his mother's kitchen, with an old-fashioned coal burning stove, grandfather clock and cured hau hanging from the rafters. Centre Wallonie-Brussel. the rafters. Centre Wallonie-Brux-elles, Ends March 31 (4271 2616).

#### LONDON

The Royal Academy: Sir Joshna Reynolds. The long-awaited tribute from the Royal Academy to its founding president fills the principal galleries of Burlington House until March 31 (sponsored by National Westminster Bank). A truncated version has already been shown in Paris. It is an equivocal compliment, for it confirms Reynolds as one of England's major arthistorical heroes and exposes his limitations as a painter. Lacking the flair of such contemporaries as Ramsay and Gainsborough, let alone of the older masters of the grand manner, such as Van Dyck grand manner, such as Van Dyck and Veronese, he had the ambition to match himself against them, and whatever he achieved in position and accomplishment was by effort and determination.

#### WEST GERMANY

Misselderi, Stildtische Kunsthalle, Grabbeplatz 4: Gerhard Richter, a retrospective of 120 oil paintings of the East German artist, who has lived in Cologne since 1983. The works cover 1962 to 1985, Ends

#### BRUSSELS

nen in Pharaonic Times: 96 objects from the Cairo Muse cluding jewellery, make-up a jects from the Catro Museum in-cluding jewellery, make-up and per-fume cases, religious objects and musical instruments reflecting the status of women in Court and Temple roles. Musée d'Art et Histoire. Ends Feb 28.

#### TTALY

Venice: Museo Correr: 127 drawings from the rich collection owned by the museum, from the 15th to the

٠ ٢

Hagen Quartet with Eduard Brunner, clarinet, Beethoven, Weber, Schu-bert, Konzarthaus, Schubert Saal.

(Mon and Wed).

Kacru Ozaki, piano. Mozart, Schubert,
Schumann, Chopin. Bösendorfer,
Saal. (Tue).

Vienne Symphesys Orchestra, conduct-

VIENNA

Saal (10e). lenna Symphony Orchestra, conduct-ed by Heinz Wallberg, with Jan Pos-pichal, violin. Rubin, Beethoven. Musikverein (Wed and Thur). (88410).

#### **NEW YORK**

New York Philharmenic (Avery Fisher Hall): Zohin Mehta conducting: Yo-Yo Ma, cello. Elgar, Bruckner (Tue). Lincoln Center (8742424). Caraegie Hall: Earl Wild piamo recital Liszt the Transcriber, a programme of Bach-Liszt, Beethoven-Liszt, Ver-di-Liszt, Schumann-Liszt, Chopin-Liszt, Wagner-Liszt, Paganini-Liszt (Wed). (2417458).

#### WASHINGTON

National Symphony (Concert Hall):
Andrew Litton conducting: Shura Cherkassky, piano; and Women of the Oratorio Society. Gershwin, Tehnikovsky, Holst (Tue); Leopoid Hager, conductor/organist; William Steck, violin; Rudolph Vorsky oboe. Händel Mozart, Bach, Mendelssohm (Thur). Kennedy Center. (254:3776).

Orechtra Hall: Montagnana Consort. Bach, Schumann, Dvořák (Wed, 5.45); Chicago Symphony. Leonard Slatkin conducting; Cho-Liang Lin, violin. Fine, Bruch Nielsen (Thur); Chicago Symphony Chorus and Glen Ellyn Children's Chorus, Allprogrammė.

DWI

The Vienna Octet: Mozart, Schubert, Shinjuku Bunka Centre (Mon).

## mid-19th centuries, includes Guardi, Canova, Canaletto, and Tiepolo, as well as lesser-known artists. Ends

## April 17. NETHERLANDS Haarlem, Teylera Museum. A hiographical exhibition devoted to Charles Darwin, his theory of evolution, and its reception in 19th Century Holland. Ends Mar 9.

SPAN

Barcelona Thesaurus, L'Art dels Bis-bats de Catalunya sponsored by the Fundacio de la Caixa and collabora-tion of Tarragona's Episcopata. 170 works carefully chosen and of great value. All pieces have been cleaned, restored and thoroughly catalogued. Palan Macai, Paseo de San Juan, Barcelona. Ends March 2. **NEW YORK** 

m: 55 importa

# seggeabein Misseum: 55 important sculpturs of the 20th century, including Giacometti, Nevelson, and Johns, are part of the theme Transformations In Sculpture, meant to cover pop art, minimalism and Arts Povera, among other movaments of the past 40 years. Ends Feb 16.

WASHINGTON National Gallery: The Treasure Houses of Britain collects 700 ob-jects from 200 stately homes in a show monufed and w mounted and decorated to snow monuted and decorated to look like the quintessential stately home, with paintings by Holbein, Rubens, Van Dyck, Hogarth and Turner among many others, as well as Chippendale furniture, Meissen and Sevres porcelain and tapestry, issuellane and appearant Valle Mar 9 jewellery and armour. Rods Mar 9. Asia Society: More than 75 sculptures illustrate the five-century long era of the Kushan dynasty in India, when Greek and Buddhist influ-

ces were first evident in the coun-

#### try's art. Ends April 6. TOKYO

Ukiye e: Righty famous prints. Riccar Art Museum (7th floor of New Ric-car Building near International Ar-cade. Close to Ginza and main ho-tels. Ends Feb 23. Closed Mon. John Constable: Exhibition of oll paintings. Isetan Museum (Isetan Department Store, Shinjuku). Ends Feb 23, Closed Wed.

















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#### THE ARTS

#### Cinema/Nigel Andrews

## A nuclear family explodes

Masaki Kobayashi's The Empty Table pushes the button on the nuclear family and watches it quietly, spectacularly

In today's audiovisual age, when popular taste seems to when popular taste seems shuttle schizophrenically be tween soap-opera miniaturism flair for dovetailing the poetic with the realistic. The early shoot-out that deliver the large, there are precious few film-makers offering to bridge the gap between the two. Keba-yashi does so in this enthralling yashi does so in this enthralling 21-bour family epic from Japan, which combines the intimate with the explosive.

В.

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**MASSA**,"

We follow several years in the life of a middle-aged electronics that unfold outside the dark engineer (Tatsuya Nakadai) pentacle of domestic tension coping with the infamy and face. engineer (Tatsuya Nakadai) coping with the infamy and faceloss of his son's imprisonment as a terrorist. As the nation bays for public self-abasement— in Japanese tradition fathers must take the blame for their children's actions — Dad remains un-yielding and unmoved, Foryielding and unmoved. Forswearing both his son and his
son's deeds, he watches with a
stricken but icy stoicism as his
family threatens to disintigrate
under pressure from a new
the picture of a family — and
a nation — whose traditional
stumbling adults (weifare
codes and creeds are cracking
the picture of a piece.
The picture of a family — and
far' more sectore
than the
stumbling adults (weifare
codes and creeds are cracking
family threatens to disintigrate
under pressure from a new
to help them. around him. Will Mother's world. mental breakdown merge into madness? Will daughter and "Giv younger son survive the trauma and stay with the family, or fly off to become rebellious satel-

The Empty Table, directed by paternal icon played by Nakadai (14-year-old hooker on her Massaki Kobayashi (of Kagemusha and Ran) with 17-year-old by paternal icon played by Nakadai (14-year-old hooker on her streetwise, directed by Martin Bell a fondness for staring straight Martin Bell's forcumentary on the contract the contrac

Streetwise, directed by Martin Bell
Spies Like Us, directed by John
Landis
The Muppets Take Manhattan,
directed by Frank Oz

Masaki Kobayashi's The
Empty Table pushes the button
on the nuclear family and
watches it quietly, spectacularly
explode.

In today's audiovisual age,
when popular taste seems to

a fondness for staring straight
out past the camera as if into a
doomed or unreachable future.
Kobayashi's grimly geometric,
shadow-wrought staging does not always avoid the woodenness of his Kaseki or The
Human Condition. But at least here the timber is top quality, and whenever the drama's surface splinters — as in the
mother's crack-up scenes
(smashing a fish tank and eating the fish, or running amok in her hospital room) — the
impact is devastating.

siege and shoot-out that deliver the son into police hands (flushed out with fellow terrorists from the mountain hideout where hostages have been seized and killed) is staged as a TV news report, and based on a real event in Japan in the early 1970s. But other scenes

17-year-old boyfriend).

Martin Bell's documentary on teenage down-and-outs, Street-wise, has dialogue of a batty poetry-yolf could not buy, even if you lined up an infinite number of Höllywood'scripwriters at an infinite number of type-writers. Based on a Life magazine story about Seattle dropouts, by Bell's wife, photo-journalist Mary Ellen Mark, it plunges, into a world of drugpeddling, prastitution and petty crime which, far from constituting a seedy secret underworld, exists in broad daylight on the brazen surface of the sidewalks.

This facts combined with the

This fact combined with the

This fact, combined with the charm, coffocat vitality and street-rough beauty of the techagers whose lives we follow, makes the movie far more ambiguous and unsettling than the traditional dose of agonised special pleading in front of shaky black-and-white cameras. These are tragic victims (three have died since the film was made) with to air of tracedy that unfold outside the dark pentacle of domestic tension are subtle and dreamlike.

Hieratic, often elusive and certainly long, the movie may strike some viewers as an essay in Oriental inscrutability with breaks for Oriental insanity. But its pensiveness and its pyrotechnics are all of a piece, the film was made) with its air of tragedy whatever. As their stories unfold, Beth, the 14-year-old prostitute with twangy voice, crafty-narrow eyes and forth-right jaw, Bat, her cheerful, skinny, rollerskating boyfriend, or Shadow (18), a handsome pimp addicted to self-decoration (dyed hair, fattoss) seem the picture of a family — and

One ends up wondering, in mental breakdown merge into madness? Will daughter and counters on survive the trauma and stay with the family, or fight to become rebellious satelities?

But it is Dad who requisitions

\* Giving blood, there's pain. Falling in love, there's pain is the more tragic group of the two. Is it the teenagers bent, apparently seraphically, on self-autosed). "The reason I love Rat so much is because he has pretty eyes. I think they're them off? Indeed the film's spies (Donna Dixon and



Rat, 17, one of the "Streetwise" teenagers

time) after giving him a heavy-father lecture on how to "grow

Someone should have given the makers of Spies Like Us a heavy-father lecture before a neavy-taner lecture before
they set out on the road to
self-destruction. In this spyspoof caper directed by John
Landis (of Animal House and
Trading Places) Chevy Chase
and Dan Aykroyd play the two
defence department innocents

most memorable image is that of the ex-convict Dad weeping several steps ahead as we with Coca-Cola can in hand sashay with would-be hilarity over the coffin of his drug-killed son in a funeral parlour, a mere half-hour (in film plottings in the Pentagon), a mere half-hour (in film plottings in the Pentagon), a mere half-hour (in film plottings in the Pentagon), a fitter giving him a heavy-fitter leature on how to the sast always the lovable brains, Miss Piggy provides the porky, hair-

couplings during nuclear countdown). Chase and Aykroyd mug and quip with heroic desperation. But the good one-liners can be counted on the fingers of one hand, and the good visual gags on the knuckles of one finger.

Nor are guffaws plentiful in The Muppets Take Manhattan. This is the third and surely last demonstration that the mad

provides the porky, hair-swishing glamour and guest army surgical tent) and finally stars keep popping up like weeds all over town: Joan Russia (ribtickling Russkies, exploding cabins and naughty Rivers, Liza Minnelli, James Coco, Art Carney, and so on.

But the film is wrecked by poor subplots, twee fantasy sequences and the appallingly misconceived finale of a Kermit-Piggy wedding. This not only raises alarming speculations on the nature of future offspring (pigs with flippers? frogs with trotters?) but rudely terminates the funniest wooing saga in all subhuman history.

The film is billed as the main menagerie which makes such attraction in an ICA season magic on television invariably celebrating 30 years of Jim falls flat on its collective pro-

#### Double Cross/Londonderry

#### Michael Coveney

ing Field Day company at the crucially, personal relationships.

Guildhall in Londonderry suggest that he did. Bracken was a was reserved and austere power broker on the right side; Joyce a treacherous fascist whose rabble rousing with Mosley (he wanted all Jews to be deported to Madagascar) led to patronage by Goebbels and his notorious broadcasts as

and his notorious proadcasts as a minister of disinformation. Each was, in origin, Irish. Sheridan deals with the two characters separately, but makes use of the broadcasts and some invested film material to draw them together until finally Bracken is seen pursuing his arch enemy across the airwaves. They still never meet. But both are played by the one actor, Stephen Rea. Kate O'Toole, daughter of Peter and Sian Phil-lips, plays their respective women; Richard Howard, Lords Castlerosse and Beaverbook as vell as a Yeats-reading German

Anglophile. Anglophile.

This is the best Field Day production I have seep since Brian Friel's Translations. Like that play, Double Cross discusses national identity in terms of how people see and define themselves and each other. Kiltoy is a gifted, literate playwright (his last plays, both seen at the Royal Court, were none the less suggests size at the Royal Court, were Talbot's Box and an Irish Sea-gull) with, like Friel, a concern for language and the uses to

which it is put.

The most important point for him about Bracken and Joyce was their concealed identity. Joyce, though born in New York, was raised in Galway.

Bracken was born in Tipperary and was infuriated by his close friend Beaverbrook's revelation that his father, a keen Republican, had once been refused a gun licence. Both left Ireland in the early 1920s and, in the words of the play, "invented therrealms"

There is no evidence that Brendan Bracken, Churchill's in scurrility or slander, but in Minister of Information during the Second World War and later chairman of the Financial Times, ever met William Joyce, better known as Lord Haw-Haw. Nor does this brilliant new play by Thomas Kilroy for the touring Field Day commany at the crucially personal relationships.

was reserved and austere—Sheridan shows him obsessed by a dead brother, bullied by his father and unable to relax with women. Joyce, more passionate, is thrown into a jealous rage by his wife's dalliance with the German, divorces and promptly remarries her. These scenes are written in a high comic style through which is also filtered a feeling of energy being denied feeling of energy being denied and re-channelled for wider political purposes. Bracken declares that he is

motivated by nothing more than a sense of what it is to be civilised. Joyce is altogether more sinister, from the opening croaking prophecy of England's imminent fall and the blackshirted image of him bearing down from the screen as Bracken pads the corridors of influence

signer than was bracken, he none the less suggests size through disposition of limbs and general posture, his ginger, crinkly-waved wig stunningly removed to reveal the severe haid-cut of Joyce, his body compacting to nocket dynamo size.

pacting to pocket dynamo size and intensity.

The play is simply designed by Consolata Boyle, very well directed by Jim Sheridan, and the film inserts are the work of Thaddeus O'Sullivan. The play moves to the Lyric in Belfast next week, thence on tour (sponsored by A. T. Cross of Ballinasloe) to Enniskillen, Omagh, Coleraine and on, north nemselves." and south, until reaching Gal-This is where the play takes way at the end of March.

#### Goat/Croydon Warehouse

#### Martin Hoyle ....

on the annestary canal. She chats to the goat (invisibly situated in the back stalls) whom she has infected and whose executioners she awaits, prior to examining the animal's

derland ("Alice, leave off this instant." she sobs), but our hopes are dashed as she grimly reverts to suffilling bodily needs

custard cream"); and become less heroine wears no match and line with frenetic chirpiness.

Secret Theatre/Logan Hall, WC1

Max Loppert

The London Sinfonietta cycles and systems, in its phases are sparse, but the scale of the played Harrison Birtwistle's of speed and near-stillness; and piece is buge, and its rhythmic secret Theatre (1984) for large at the same time nakedly direct variety breathtaking. A single chamber amberta in London

prior to examining the animal's input of come. They never come. Unease, solitude and claustrophobia are first manifested by nostalgia for the outside world's tea-trolleys ("I could kill for a custant gream") and hecome.

hearing—this was my first—was, naturally, insufficient to absorb

whole, but it was quite enough to carry the listener unresisting

on the waves of imaginative energy that the music sets in

motion.

Around this exhilarating experience, the Sinfonietta has programmed others rather more

## New York Music

#### Andrew Porter

1986 is unlikely to see a sillier play than Louise Page's 80-minute monologue, newly arrived at the Croydon Warehouse from Leighton Buzzard in the last throes of a national tour.

Despite her scientific contents is engaged in confidential work on the effects of radiation on the alimentary canal. She thats to the goat (invisibly situated in the back stalls) whom she has infected and whose executioners she awaits, prior to examining the animal's invariant of the stalls. They never come are the setting of the subject of the experiment research to suspect that she, not the goat of the stablishments boast no time to suspect that she, not the goat of musicological rectitude, best not time stablishments boast no time establishments boast no time to suspect that she, not the goat of musicological rectitude, best not time stablishments boast no time to suspect that she, not the goat of musicological rectitude, best provided by Frederica von Stade's Idamentes. Londom, I read, was disappointed by her desk for a snooze). Alice heave goes to the door and walks out — an option she offers at one point to the goat though not the less fortunate to the goat (invisibly situated in the back stalls) whom she has infected and whose executioners she awaits, prior to examining the animal's innards. They never come.

Alice, a high-powered scientific comempt for anthropomorphism, Alice has a whimsical way with her: "What do you call your-list, is engaged in confidential way with her: "What do you call your-list, is engaged in confidential way with ther: "What do you call your-list, is engaged in confidential work on the effects of radiation on the alimentary canal. She has a further with the surface of the most of them most of them to suspect the excitement that the specta-lound by Frederica von Stade's Idamentes. Londom, I read, was disappointed by her latest Cherubino, Swas I in Houston a few years and walks out — an option she offers at one point to the goat the scientific comempt for anthropomorphism, Alice hexe for a snooze. It was

"Fuor del mar." Carol Vaness's quisite web of orchestral of Electra had moments, but she colors, of the unfailing dignity seems to be going through an and delicacy of accent and awkward patch—the tone is not rhythm." This was something breaking through clean and to set beside his ENO Louise. free, and Ponnelle's production Good conductors seldom visit keeps her on the verge of the Met, and so this debut was caricature.

Linda Zoghby's Ilia was workaday until she reached "Zeffiretti," in which the voice to produce unfailingly decent moved firmly and well. Jeffrey tenor tone; there was no dra-Tate's conducting was sortof matic life in his singing or his alright, except in stretches that acting. The rest was pretty seemed to move very slowly. Ponnelle's production, in sepia sets, is big and handsome but times and handsome but sets, is big and handsome but tiresome. Ilia shares her first aria with dumbshow between Idamantes and Electra; her second aria is constantly "prompted" by Idamantes ("Try another verse, dear, and see if Dad won't relent"); and he is onstage, sunbathing, during her third.

Added stage presences fill the evening. The opening words of Act 2 are "Siam soli." The curtain goes up on a stage

Pisan's The City of Ladies (1405), with a score assembled Christine's contem-Binchois, Cordier,

Rose as being insulting to women. Henry VII had a military manual she wrote translated for the instruction of his doubly welcome. Neil Shicoff, the Romeo, sugtroops. In The City of Ladies, she set forth a vision of society founded on and regulated by feminine intellect, valour, fortitude, and good sense. Sappho, the Sibyls, Semiramis, Penelope and Thisbe, are among the exemplary characters. The city rose before our eyes, and singer after singer appeared

with clear, steady tone
The dramatic productions of

## The Mastersingers/Coliseum

#### **Rodney Milnes**

Wednesday's performance of yagner's opera, the last in the recent run, was even more eventful than envisaged. Patrick Wheatley's first Sachs, a notable success, was planned; unplanned was the virus pitilessly making the rounds of the Coliseum that revealed another side to the character. the rounds of the Coliseum that finally felled Kenneth Woollam. merry. Christine is "big" at the being sent home with a high in the first profest temperature and bit hand shyly taking Eva's in the following duet together who had sung Walther stoutly in the first two acts before moment, as the first profes-sional woman writer. She attacked the Romance of the Matheson-Bruce, himself only Matheson-Bruce, himself only semi-recovered from the attentions of the same microbe.

That the performance was still thoroughly worthy of the score is tribute to the sense of ensemble in St Martin's Lane it was fascinating to watch ance, as well as a first, this healthy and seasoned members of the cast unobtrusively but positively supporting the new-on this evidence, he is given healthy and seasoned members of the cast unobtrusively but positively supporting the new-comers—and to the solid bedrock of Mark Elder's conducting, naturally flowing, lyrical, totally disciplined.

Wednesday's performance of pointed delivery of the conver-

character, one perhaps sup-pressed out of self-protection. phrased responses to her blow Dunst suggested uncharted depths of feeling and vulnerability. Similarly, at the emotional

shoot-out in the third act he conveyed a real sense of loss with great economy. In the cir-cumstances of a single performa number at the next revival, he will develop into a Sachs of distinction. Purely musically he is that already.

he is that already.

Mr Matheson-Bruce's tone, as always rather forward, has nevertheless filled out noticeably. He has the scale of Walther well in his sights (proper solidity at the bottom) and did far more than just save the show. Further salutes to Kathrup Harries's Eva which arisesting instrumental compositions, a 35-minute-stretch of ingling musical energy of a kind hard to equal in any other area of contemporary music. If all the following four performances of something so vertiginously difficult to execute can be brought off with the head-tong br

## DIVIDEND DECLARED

chamber orchestra in London and involving in its communica-before taking it, and works by two powers. The form of the Takemitsu and Weill, on a music combines early-Renais-seven-city Arts Council tour. sance influences (one might This is one of Birtwistle's most fairly call Secret Theatre an

This is one of Birtwistle's most arresting instrumental compositions, a 35-minute stretch of tingling musical energy of a kind hard to equal in any other area of contemporary music. If all the following four performances of something so vertiginously difficult to execute can be brought off with the headlong bravura that marked Wednesday evening's under Diego Masson, the Contemporary Music Network will have soread

The Board of Directors of ENSERCH Corporation on February 3, 1986, declared a regular quarterly dividend of 40 cents per share of common stock, payable March 3, 1986, to shareholders of record February 18, 1986. The Board declared a supplemental distribu-

tion of Enserch Exploration Partners, Ltd. (NYSE-EP), units at the rate of one unit of EP for each 100 ENSERCH common shares owned as of February 18, 1986, to be distributed April 2, 1986.

For additional information, please write to Beniamin A. Brown, Vice President, Financial Relations, Dept. L, ENSERCH Center, Box 999, Dallas, Texas

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## Saleroom/Antony Thorncroft

## Czar's photos snapped up

An album of photographs of its decoration, sold to an Amerithe Russian Imperial family taken by the Grand Duchess Sotheby's coin sale had many Xenia Alexandrovna, the sister of Czar Nicholas II, during 1904—the triple-unit coins miuted at 1905—sold for \$30,800 at Oxford by Charles I during the Civil Warner was a solution.

The 47-page album contains many photographs of the family at leisure on their country estates—the Empress Dowager feeding deer; the Czar's sister Olga doing somersaults; the Czar blessing his troops with an Ikon. A photograph of the entire Imperial House taken in 1892 sold separately for £1,430.

The most highly estimated lot, a portrait of Count Soumarkoff-Eiston (whose son murdered Raspusin) by the artist Serov, falled to find a buyer, being unsold at £38,000, but "The firing of the Turkish flagship by Kanaris" painted in 1888 by Ivan Aivazovsky went for £33,000, double its forecast.

Avant garde Russian art has not featured in the salerooms recently because a spate of for-geries unsettled the market, but

Sold for 20,300 at Oxiotu By Charles I during the sold buyer. The price was double the and one made £9,350. Selbu of forecast.

The 47-page album contains of 1656, with a portrait of Oliver Cromwell, and £9,900 for the family of the family a Henry VII sovereign.
A previously unknown and
unrecorded bust of the Ameri-

can politician and scientist Ben-jamin Frankin, probably sculpted in London around 1760 by John Michael Rysbrack, is modestly estimated at "upwards of £150,000" when Christie's

The owner, a Yorkshire publican from The Carpenters Arms near Thirsk, had been given the bust by a neighbour when he was eight. He was moved to call in Christie's for an evaluation when he read of a Roubiliac bust of the Earl of Chesterfield, also found in Yorkshire, selling for £518,400 in 1985.

The bust is the earliest known portrait of Franklin, and seems geries unsettled the market, out portrait of Fighting, and seems Sotheby's offered some yester certain to attract keen American day with reassuring results. bidding, Franklin spent many "Composition Relief," a work by years in London and may have Vasili Ermilov who devoted commissioned the bust as a gift himself to bringing modern art to his son. Rysbrack, of Flemish to the masses, sold for £9,800.

A "Supremacist" saucer, made in 1921 and vaguely Japanese in the great rival of Roubiliac. Friday February 14 1986

## A misdirected farm policy

ingly depressed farm incomes— are perhaps starker and more Few people believe that the proposals published by the European Commission last week—a nominal price freeze for most products, coupled with a tax on producers and consumers of cereals to contribute towards the disposal of surpluses—will do more than intractable than ever before.

surpluses — will do more than tinker at the margins of the As ministerial minds turn towards the more radical measures which everyone seems to think will be necessary next year, the contradictions built into the Common Agricultural Policy stand well and truly ex-

#### Central issue

Mr Michael Jopling, UK farm minister, has already raised what will be a central issue in this year's negotiations by talking of "discrimination" against British farmers. This refers to the Commission's proposals to soften the impact of its measures on the smallest farmers-for example, by exempting the first 25 tonnes of grain sold by an individual farmer from the

producer tax, and by giving spe-cial treatment to beef herds with fewer than 50 animals. Mr Jopling's worry is that there are very few farmers as small as this in the UK, so that the multitude of tiny units on the multitude of tiny units on the Continent will be receiving unfair favours at the expense of their more efficient and larger British brethren.

But his complaints raise a more deep-seated question: is the CAP an economic policy, designed to encourage efficient food production on the principles of comparative advantage, or a social policy, aiming to prop up the incomes of millions

of small family farms?

The theoretical answer is in the Treaty of Rome: it is sup-posed to be both. Because it has been expected to perform both functions through a common price mechanism, it has failed to would be far better handled do either properly.

AS THE European Community's Prices have been fixed at farm ministers embark on levels which can sustain the another tortuous round of least efficient farmers and enthe issues facing them— land, but which have rewarded a worsening world subsidy war, record stocks and agricultural spending, increasprices come under pressure, the big farmers have been able to offset the effects by boosting production, while the small and

cognised this last year in its Green Paper on CAP reform. It suggested, rightly, that the social and economic functions of the price policy should be div-orced; that prices should be brought down towards world market levels and that the small family farms which would suffer harshly as a consequence should receive direct income

The proposal met with a withering rejection from the farm ministers. The Commission's latest plan

represents another effort to direct funds towards the family farms which are seen as needing them most: the smallest farmers would receive a higher average price for their produce

#### Insulation dangers

It is possible to envisage such a policy being developed fur-ther. But whatever the merits of bolstering the social side of the CAP, the dangers of insulatthe CAP, the dangers of insulating it still further from market forces—either by distorting prices or by freezing farm structures through physical limits on production—ought to be equally clear. Production outlined to be equally clear. could become even more con-centrated at the least efficient end of the industry, and those farmers with a distinct comparative advantage might not be able to expoit it to the full.

That is hardly the sort of agricultural structure which can hope to compete effectively with the US and other exporters on an increasingly surplus-ridden world market. The only route to such an objective is by bringing EEC farm prices down. Social assistance to farmers quite separately.

## **Priorities** for the budget

IT IS EASY to lose sight of the subsidised employment) should main purpose of budgets. These be offered £40 a week (the annual rituals are not just vehicles for tax cuts of some description but the Chancellor's could also be linked to a provide to a pr main opportunity to address serious economic problems. The blackspot in the UK remains unemployment: companies are might be expected to create continuing to shed large about 350,000 jobs at an estinumbers of jobs. The main mated cost per job of only focus of the Budget on March 18 should therefore be job-creation. The task is to find non-inflationary ways of increase the cost of job creation through general reflation).

A second source of jobs for the large terms of the larg

priority should be to reduce renovation and building pro-long-term unemployment. This been growing steadily more subsidise both private and local acute. More than 500,000 people authority employers willing to have been without work for at take on the long-term jobless to least three years; 1.4m have do such work. The problem of been jobless for at least 12 ensuring "additionality" would months. It is difficult to main-again be acute, but it is worth tain that all that can be done to alleviate this problem is being done. The Community Programme has so far filled to 230,000 is planned. Yet this hardly measures up to the problem. Fewer than one in six of the long-term unemployed are touched by any government

of iconoclasm from the Government and carers for the elderly, dismert and the abandoning of some prejudices. The private spector needs to be mobilised to help the long-term unemployed (at present all but 2 per cent of Community Programme schemes are run by the public employment for at least 100,000 and valuations. If and voluntary sectors). If again at an estimated net cost private employers are to be per job of about £4,000. It encouraged in a big way, the would be irrational to rule out encouraged in a big way, the Government may need to overcome its distaste for direct employment subsidies for companies. These involve "deadweight" costs; some jobs would
be created anyway and so some
public money is thrown away. are not outlandish. Some But the alternative is to waste

The economic case for subsi-dies is bolstered by the fact that about £3.5bn—well within the people's skills deteriorate after expected scope for tax cuts over people's skills deteriorate after long spells of unemployment, this horizon. There is a sportmaking them less attractive to private employers. The Government should heed the advice of the Commons Employment Select Committee. It argues Budget is to address the that any employer willing to country's main economic headgive a long-term unemployed ache, it cannot ignore the case person a job for a year (and for robust initiatives of this not cheat by reducing his non-type.

non-innationary ways of increasing employment.

Since the seriousness of unemployment—in both human and economic terms—is directly related to its duration, the priority should be to reduce renovation and building profacing simply because there are so few credible alternatives. About 300,000 jobs might be created at a net cost per job of

#### Natural source

Another prejudice which the Government needs to overcome is that public sector employment is invariably bad. Social Long spells

A convincing solution may require an unaccustomed touch of iconoclasm from the Governand carers for the elderly, dissuch employment simply because it would be mainly in

Cabinet ministers are reportedly more on benefits for the totally already showing enthusiasm for unproductive.

near Colmar in eastern France, is one more piece of bait for the frontier area of Alsace in its bid to stay ahead in a widening regional development battle with the rest of Europe.

JAPANESE boarding

school for 180 pupils, due

to open in April as the

almonds blossom at Kientzheim

The school, occupying a former Catholic college, is being set up with the support of the Alsace development organisation Adira to strengthen the region's attractions for Japanese companies which are sending increasing numbers of executives and their families to plants and subsidiarles in Europe.

Alsace, next to the German and Swiss borders, has long been exposed to the cross-currents of change. As French regions face up to ever tougher competition with each other and with other parts of Europe for jobs and investment, Alsace is not the only part of France in the front line.

Trying to throw off 200 years of subservience to central government, France's regional politicians and industrialists are getting used to taking the initiative across a range of areas earch to job-creating measures

The regional revival has been taking place at a time when social and demographic hanges in France are strengthening the impact of political decentralisation measures introduced by the Socialist govern-ment in 1982.

and Regional Development, who as Interior Minister pushed through the decentralisation legislation in the first years of the Mitterrand presidency, says now: "The regions have liberty which they did not have before."

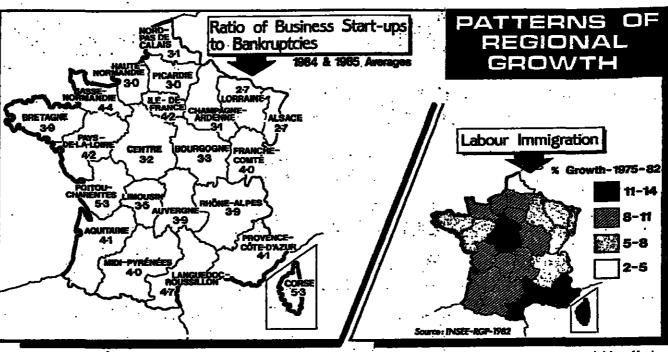
Even though the opposition has criticised some aspects of the moves, it is a judgment with which politicians of both Left and Right agree. Whatever the result of next month's general elections, the regional reforms —described by President Mit-terrand as the "great task" of his presidency—look likely to remain one of the most enduring and positive legacies of the Socialists' period in govern-

power remains firmly concentra-ted in the Ile de France region around Paris. The area accounts for 18.5 per cent of recoveries.

FRENCH REGIONAL POLICY

## An unequal dash for advantage

By David Marsh in Paris



This is the strategy which has

long been followed in relatively prosperous Alsace as well as in

the Lyons region. Eighteen months of contacts and lobby-

ing through Adira's Tokyo office
—Alsace is the only French

region with its own representa-

tive in Japan paid off last summer when Sony decided on Bergheim south of Strasbourg as the site for a FFr 50m com-

All the same, vitality of busi-ness start-ups and research making development grants to 100,000 and FFr 200,000 per efforts in the south and west companies creating or saving job on latest estimates). efforts in the south and west is pulling the economic centre is pulling the economic centre jobs as well as co-ordinating of gravity southwards. Traditionally centralised bureaucracentives. It also tries to influcies such as the state Centre ence large companies to set up National de la Recherche Scientifique (CNRS) research organ-isation have been trying to move closer to the regions. Banks and other financial insti-

link with Britain.

over the past 10 years, with a

net movement away from Paris and the old industrial areas of the north-east. Although it

tutions funding small business and technological innovation Mr Gaston Defferre, the veteran Minister for Planning have also made active decentral-isation efforts, while regional venture capital initiatives are starting to sprout.

for 18.5 per cent of population Atlantic and Mediterranea (against 5 per cent in Napoprovinces — in some case leon's time) and 26 per cent of ironically, aggravating unen although both percentages are now dropping slowly year by year. In the most notable recent cases of fierce regional rivalry over prestige high technology projects—between Strasbourg of post-war expansion has grains distributed by Datar for companies making job-creating investment will be cut to FFr reliance has been the harsher 600m this year from FFr 1bn in 1985 but targeted more of French growth after 30 years selectively. product, ployment in these areas. projects—between Strasbourg and Grenoble over the siting of the European X-ray synchrotron or between Bordeaux and Toulouse over the building of the Hermes space aircraft—rival mayors have done the lobbying but the decisions have, inevitably, been made in Paris.

in depressed areas — although, ironically, this approach has worked less well since the Government nationalised many large industrial groups in 1982.

Economic growth enabled

Datar to set and achieve rela-

tively clearcut goals — de-veloping the "desert of the west and checking the overpopulation of the Paris area. "It was sufficient for Jerome The Government has made efforts to back up regional moves through infrastructure projects — for instance the network of high speed train links from Paris planned to radiate to the north and east as well as the south west and south have the south well as the south west and south have the south well as the panies and send 2,000 workers to Rennes," says Mr Jacques Sallois, Datar's present head. Now hig companies are shedding labour, he admits this approach is no longer possible. east by the early 1990s. New road links are also planned near the Channel coast to accommodate traffice from the tunnel

Even after the labour shake-out of the past few years, un-Roughly one-tenth of the employment disparities be-population has moved region tween the French regions are still less marked than in Britain. But while it once concentrated on trying to equalise the distribution of largesse, might be premature to talk Datar's main task now is to about a French "Sun Belt," ensure that hardships are not most migrants have headed for spread too unevenly — a more the relatively high-performing arduous and less inspiring role.

regional aid more carefully on grants distributed by Datar for

of French growth after 30 years of post-war expansion has diminished the volume and efficacy of central government aregional aid that can be shared around an increasing number of claimant areas.

The state regional development agency, Datar, was set up in 1963 in the Gaullist boom selectively.

The total Datar budget is running at more than FFr 20n ayear, but the grants — which generated 500,000 jobs between progressively less cost-effective as the cash needed to create jobs in today's capital-intensive industries has gradually in-

In collaboration with a range of local and corporate development organisations — more than a dozen large companies have now set up development arms to channel funds into businesses in depressed areas — Datar has been called upon particularly to underpin 15 hard-hit industrial "conversion zones" designated by the Government in February 1984, mainly in the north-east and

centre of the country.

"For a long time, Datar was
the instrument of decision by government, in a somewhat Sallois. "Now we no longer have the monopoly of regional development. We can help but we cannot decide by our-selves. We are modest. We are not Father Christmas."

The message has got through to the provinces. "We have no choice but to rely on our-selves," says Mr Charles Henri de Saint Julien, a motor com-pany industrialist who heads the Quest-Atlantique development association, which is geared to the Brittany and Loire regions and links business and public sector organi-sations.

Datar development initiatives, has been set back by the efforts made in Paris to drive investment to the north east. Its most with the backing of Paris, was in 1983 when it won a plant from Canon of Japan which now employs more than 300

Since then the climate has become more dour. "We are in competition with Ireland and Scotland, as well as Toulouse, Grenoble and Lorraine. The answer is to join forces within the region — without going through Paris," says Mr de Saint

campaign partly backed by sub-scriptions from companies like Pechiney Matra and the Evian mineral water group and admits that devolution under the Socialists has increased his own

Socialists has increased his own funding possibilities.

One reason why the opposition has found it difficult to criticise the Left's measures is that out of 22 regional assemblies in metropolitan France, 16 are currently controlled by the Right. No longer under the thumb of the departmental prefects first appointed by Napoleon, they can make grants, provide tax breaks or guarantee credits out of their own budgets across a range of economic intervention range of economic intervention

The slackening of Datar's hold over companies' decisions is illustrated by the latest figures illustrated by the latest figures on investment inflows to France. Foreign investment in both 1984 and 1985 created or saved about 13,400 jobs in each year. In 1984 60 per cent of investment was channelled into Datar-designated depressed regions such as Lorraine, while in 1985 the bulk of investment by foreign companies went towards the more prosperous and dynamic areas of Alsace, Rhone-Alpes and Brittany.

The regional reforms have un-

The regional reforms have undoubtedly led to some waste through duplicating regional and central government activities and stimulating unnecessary competition.

One obvious example potential regional over-kill is the prolieration of science parks ("technopoles") being developed or planned in more than 20 towns in addition to the two fully-fledged sites at Sophia-Antipolis (near Nice) and

and the Government in coming years may indeed be to ensure that the go-it-alone spirit does not get out of hand. Some in-dustrialists are already complaining that tax and social security incentives granted to companies setting up in "con-version zones" and other depressed areas are starting to distort competition with other

It is a similar story in the south west. Elf Aquitaine, the state-controlled oil group, has played an important part in putting together financial packages which have brought two other Sony plants for say that potential foreign pur-chasers—accounting currently for about 30 per cent of take-overs of such companies — invideo and audio cassettes—to the Aquitaine region, again in the teeth of government efforts sist increasingly on tax concessions from local administrations. to pull at least one plant to

For Mr Michel Barnier, the young and thrusting president of the Savoy departmental assembly in the Alpine east, But the changing economic conthe economic crisis has even ditions also create a golden been a blessing in disguise, opportunity for France. Often

Freepost address.

pact disc reader plant aimed at serving the entire European market and creating more than Alsace was in competition not only with strong offers from Bridgend in Wales and Vil-lingen in West Germany but also An important task for Datar from Lorraine. "At first, Datar looked at us with some suspicion," says Mr Hubert Guillme, the Adira official who handled the Sony negotiations. "But Sony made clear that, in France, only Alsace came into question So Datar could hardly oppose

> Officials at the Government's interminsterial committee, Ciri, which handles cases of com-

The upsurge of regional dynamism could clearly lead to excessive competition in the bid to attract foreign companies. "People are disappointed about national solutions. Paris can't help us—so we have to do things ourselves."

Mr Barnier, from the neo-Gaullist RPR Opposition, is leading a bid to bring the 1992 winter Olympic Games to Savoy —in competition, above all, with sites in West Germany, Norway and Sweden. He has put together a FFr 20m promotional

## Liberty-but

no fraternity Lee Iacocca, feisty chairman

and self-appointed turnaround hero of Chrysler, is a man used to speaking his mind and getting his own way. But he finally seems to have met his match.

US Interior Secretary, Donald Hodel, has fired him as head of the Government's Statue of Liberty advisory panel, charg-ing the Chrysler chief with pos-sible "conflict of interest" be-cause of his other role as chairman of the private foundation which has raised \$233m for the centennial restoration of centennial restoration of weather-beaten Miss Liberty and Ellis Island.

lacocca had to be fired because he would not quit, said Hodel, claiming that his twin roles as chief fundraiser and chairman of the committee advising how the cash should be spent violated "applicable conflict of interest statutes." Hodel emphasised there was no suspicion of wrongdoing by Iacocca and praised his "imagi-nation, determination and talent" as a fund-raiser. But



"Are you sure you've got the

#### **Men and Matters**

The move, however, prompted Iacocca, son of an Italian immigrant who landed on Ellis Island, into an immediate and characteristic response. Hodel's statement, he said, was "off the wall and in clear contradiction of the facts." He added bitterly: "I resent any inference of conflict of interest. The tenth is

Iacocca charged Hodel with making "a grab for four years' worth of contributions by the American people." Hodel retorted that Iacocca was either agitated or misleading since the foundation still controls the purse strings.

The public slanging match The public slanging match was due to continue yesterday as Iacocca, whose grip on the fund-raising had already begun to irk some critics, was calling a press conference on the issue. He faced other woes, too. Chrysler reported a 33 per cent slide in 1985 profits.

#### Screen time

Michael Fant is clearly by nature an optimist. At a time when the mood in the British film industry is a little fragile at best, he has set up a new film production company and plans to invest some \$27m in a new batch of films.

The first production of Major Film Productions is to be called appropriately enough Turnaround which will start shooting next month in Norway and

Two further films, Townsville, a \$9m mystery film, and a \$15m fantasy, Eagle Rock, to be filmed in Florida and at Pinewood are due to get underway later this

be erates in their international film investments. It is perhaps significant that the investment for the new films is coming from Norwegian banks and corporate investors such as Bergens Bank. investors such as Bergens Bank.
Fant says he has chosen to
set up in London because the film talent here, he believes, is the best in the world.

## "I resent any interests to the fict of interest. The truth is that the Secretary is in conflict "Cory" factor

Corazon ("Cory") Aquino, aged 53, a housewife, and widow of an assassinated opponent of President Ferdinand Marcos of the Philippines, suddenly finds herself with enormous power.

While the outcome of the election held among the nation's

war in the country.

Her backing is drawn from a group of friends, allies, and supporters from business, opposition politics, the Roman Catholic church, and her family.

Among what the Marcos faction calls her "ghost presidents" the most important is Jaime Ongoin, president of Benguet Corporation, one of the country's biggest mining companies. He is the younger brother of one of Marcos's ministers but, nevertheless, is an outspoken critic of the Marcos regime.

between them.

In fact, when Gould lost the Southampton seat at the 1979 general election professor Gower was on the 'phone to him within 24 hours to offer him a new. job teaching law at the university.

Gould apparently decided he wanted to try a different tack and he became a television journalist before returning to the House in 1983 as MP for Dagenham.

Gower, on the other hand, went on to write the Gower report on investor protection.

Another leading businessman, Roberto Romulo, head of IBM in the Philippines, has also been helping the Aquino campaign. Mrs Aquino's political in a word advisers are led by Uovito In a word Salonga, a life-long politician. A reader says he never had and Lorenzo Tanada, aged 86, any doubt about the eventual the grand old man of Filipino success of the Sikorsky/Fiat

Fant has been involved in from Cardinal Sin, archbishop the past in ski resort projects in Europe and as an advisor to scandinavian business conglom-

has come from her own highly political—and large—family. On her side have been her brother Jose Cojuangco, Ricardo Lopa, husband of her elder sister, and, of course, her five children.

#### Legal ties City observers watching the

passage through the House of Commons of the financial services Bill should not be too surprised if the thinking of Bryan Gould, Labour's trade spokesman, shows some kinship with ideas developed by professor Jim Gower, the authority on company law and investor protection, who is now acting as an adviser to the securities and investments board. The two men have known each

vice chancellor and honorary professor of law at Southampton University, Gould was Labour MP for Southampton Test. election held among the nation's
28m voters has still to be
decided she is in a position to
decided between peace and civil
war in the country.

Her backing is drawn from
a group of friends allies and

Gower, on the other hand, went on to write the Gower report on investor protection which laid the foundations for the government's present Bill.

Throughout her campaign westland Helicopters is an anagram of "Slap t' Heseltine crowd."

*Observer* 

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N and 46

Revenues



Energy Secretaries past and present: (L to r.) Lord Carrington, Eric Varley. Tony Benn, David Howell, Nigel Lawson and Patrick Walker

THE SUBJECT has changed. No longer are Cabinet Ministers talking about Westland; they have moved on to the Budget, and the political consequences and opportunities of the falling

The Budget speech will be on March 18. Key decisions are likely to be taken unusually likely to be taken unusually late, not only because the implications of the fall in the oil price are still unclear. Also unclear is whether the price will continue to decline and, if so, how far. These are matters which affect Britain, as a major oil producer, far more than the fortunes of the helicopter company which has caused such political havoc over the last

the shareholders' meeting on Wednesday. There may be still some political fall-out: the House of Commons Select Committee on Defence has yet to report and Mr Alan Bristow, the shareholder who alleged he was offered a knighthood if he was oriered a kinginiood if he switched away from the European solution, might have some embarrassing things to say if called. But it looks as if Westland has gone off the front page. The final political spasm in the Tory Party over the affair took place at and around the

took place at and around the Young Conservatives' confer-ence in Blackpool last weekend. Ministers and others aspiring to the succession to Mrs. Thatcher appeared to be so at reach other's throats that they realised they were doing the party no good. Since then there has been a relaxation.

welcomed, that barring last week on the Ford offer to last week on the Ford of seen last of conducting government husiness. In or is he calling for one. All he hopes for, and expects, is the introduction of an early warning system on matters that the motor industry. Ministers la

mentary party that the Tories have saddled themselves with.

Much will depend, of course, on whether the Conservatives win or lose, or even if there were to be a hung Parliament. But all that is for the future. Meanwhile, it is back to the business of government.

Meanwhile, it is back to the business of government.
Yesterday's Cabinet meeting about the Budget was of the kind promised by Mrs Thatcher after there had been a terrific row following the Budget of 1981. That Budget seemed at the time to be very austere and was succeeded by further Treasury demands for greater control of public expenditure, though with hindsight it can be claimed that hindsight it can be claimed that it was precisely the 1981 Budget which led to what could Cabinet : Ministers on the be the longest period of whole accept this. The immediate future of Westland was settled, the Sikorsky way, at albeit without reducing unemployment,

Anyway, by the summer of 1981 some Cabinet Ministers were very sour, almost rebellious. Mrs Thatcher said that in future there could be a Cabinet meeting a few weeks before the Budget to review the background against which decisions would be made.

That is in spite of the fiasco over Westland and the Govern-ment's spectacular climb-down

## The Cabinet returns to business

By Malcolm Rutherford

been told of the Ford offerinformed of the Ford approach before they read about it in the because, he says, all Ministers newspapers.

Hinisters jealously guard their depart-

Norman Fowler, the Secretary of State for Social Services, who has a Midlands constituency (Sutton Coldfield). He would have liked to have been advised of what was happening because he had a special insight into the matter through his Midlands connections. He thought that the politics of the deal was not

decisions would be made.

What is striking is that
Cabinet Ministers are still not demanding more. They are grateful to be able to put in a word or a plea or two, but it is accepted that the Budget judgment will be made by Mr Nigel Lawson, the Chancellor of the Exchequer, and the Prime Minister. The Cabinet will be told of the details, as usual; only a few hours before the Budget speech.

That is in spite of the fiasco

The key figure was Mr mental responsibilities and do forman Fowler, the Secretary not want what is going on to be known to all and sundry.

known to all and sundry.

It was just the political flair that was missing: the instinct to consult a Midlands member of the Cabinet on a matter on which he might have some pertinent views. So far as one can tell, no one else in the Cabinet is seeking much more than that:

a streamlining of the existing machine rather than any basic reform. The result of the basic reform. The result of the Westland and Ford affairs is that they seem to think they may have achieved it.

So to the Budget and the fall in oil prices. Chancellor Lawson

speech in Blackpool last weekend. Mr Lawson is more inclined to accept market forces,
while insisting that a general
expectation of a lower rate of
inflation is a prerequisite for
sustained economic growth.

gether is in agreeing that there should be no British Government-induced cut in North Sea oil production, regardless of what happens to the oil price will benefit from lower prices as, in particular, will the poorest countries of all.

Mr John MacGregor, the Chief Secretary to the Trea-

and regardless of pressures from Saudi Arabia or other members of the Organisation of Petroleum Exporting Countries (Opec). They may have won. whet will happen when the oil runs out has always been a nightmare for politicians. Actually, it has not run out: far from it. But what has occurred is no less interest.

from it. But what has occurred is no less interesting. The British Government has survived a potential economic crisis caused by the fall in the price. There has been only one the interest rates in activities.

rise in interest rates — in early January, and there has not been excessive pressure on the pound. Members of the Cabinet are engaged in an attempt to rationalise the benefits to the country of lower oil prices, with confid Some of them are obvious: North Sea. lower petrol prices for the con-sumer, for example, and eventu-ally lower energy costs for vived an oil price crisis, the

ally lower energy costs for industry. The disadvantages are that some of Britain's industrial competitors, who are not oil producers, will benefit even more, and that there will be a loss to the Exchequer in terms of oil revenue.

The new discussion to make the subletters published this we between Dr Oonagh McDonal of the Labour Party from bench and the Chancellor. Do bench and The new discussion is beginning to surface in public. There was an exchange of letters published this week between Dr Oonagh McDonald of the Labour Party frontbench and the Chancellor. Dr McDonald asked him to set out his sentencia strategy in the

Its second term will give education more priority. On that the would be dealing with the consequences of the fall in prices tion has been one of the in his Budget speech. He added that he was astonished at any proposal that Britain should be who will succeed Mrs seek to keep the price artificially high by joining the Opec cartel, that the world economy of State.

Mr John MacGregor, the Chief Secretary to the Trea-sury, made similar points in his speech in the unemploy-ment debate in the House of

8 per cent of total tax revenue in 1985-86, 5 to 6 per cent of national income and 5 per cent of capital investment. Actually, that is rather a lot.

It may have been a shield over a very difficult few years and will still be useful even if the fall in price goes on. The new factor is that the Government is prepared to contemplate with confidence life after the North See

vived an oil price crisis, the Treasury can risk seeking to compensate for the loss in oil revenues by increasing the public sector borrowing requirement while still soing ahead with tax cuts of one form or another, or whether, as the Institute for Fiscal Studies seemed to be advising this week, it would be better to wait until next year. this week, it would be better to wait until next year.

Mr Walker would prefer expansion now, especially through increased spending on housing and education. But for the most part the Cabinet is happy to leave the judgment to the Chancellor and to the last possible minute.

last possible minute.
Whichever way it goes, it seems likely that the Government in the second stage of its second term will give edu

#### Lombard

## **Austere demands** of the IMF

By Peter Montagnon

MR JAMES BAKER, US Treasury Secretary, drew sighs of relief all round when he launched his initiative on easing the developing country debt crisis last October. At last the US had dropped its hands-off policy on debt; better still, ran the common view, it had acknowledged the importance of economic growth in the debtor countries themselves as vital to any solution.

any solution.

Four months on, this empha-Four months on, this emphasis on growth remains a major selling point of the Baker plan. Yet it is also clear that the concept of growth-orientated economic adjustment is much harder for the debtors to swallow than it appeared at the outset.

It was easy to jump to the conclusion that Mr Baker was simply advocating a more

simply advocating a more lenient approach by the IMF with less emphasis on tight demand management in debtor economies. In fact the opposite is true. Far from softening, the IMF has to be tougher and in many ways more rigid than ever before. For the Baker plan does not

For the Baker plan does not let the debtors off the adjustment hook. Overall demand management still has to be tight in those countries which would otherwise have difficulty financing their balance of payments. The new element introduced by Baker is that demand has to be managed in a way that does not undermine future growth prospects.

There is still no escape from budgetary cuts in the debtor

budgetary cuts in the debtor countries. From now on, however, these cuts will have to come increasingly from current come increasingly from current rather than capital expendi-ture. That is an ideal which even industrial countries find hard to achieve in practice— the record of the Thatcher government in Britain is an obvious example. For develop-ing countries often labouring obvious example. For develop-ing countries, often labouring under glaring state sector in-efficiency, it is even more of a challenge.

If it is to play its part in implementing the Baker plan, the IMF must be relentless in its pursuit not only of lower fixed deficits; it must also be

fiscal deficits; it must also be more vigilant than ever before on the question of how these budget cuts are achieved. The need is to nurture investment activity at the expense of con-sumption and waste.

The World Bank can certainly play a role in this because of its longer term development ex-pertise and because its contacts with debtor governments reach much further than those of the IMF. The World Bank is much better placed to advise on and assess the quality of infrastructure spending.

That all looks rather easy or paper, but in practice is com-mits the debtor countries to awkward political decisions. It implies that both the IMF and the World Bank will have to be more interventionist in the day-to-day running of the debtor economies than has been the case in the past. For their part, debtor governments face the continual loss of political popularity through cuts in current spending designed to eliminate subsidies, free resurces for in-vestment and boost domestic

Argentina has demonstrated some understanding of this pro-blem in the last few days with the announcement of plans to sell a number of state companies. Mexico, too, has talked of privatising state sector com-panies, but in general the re-cord of Latin America in undertaking genuine structural reform is not good.

Brazil, for example, enjoyed a rapid growth rate of some 8 per cent last year, but this was which could fizzle out by the end of the year as lack of invest-ment spending in its econmy pushes up inflation and again raises the need for more exter-nal finance. Its achievements over the past year in no way represent a cure for its debt problem; they have simply been a temporary palliative.

There is no escaping the need for fundamental economic re-forms if debtor countries are to their way out of debts. Equally, creditor banks and governments should be aware of the intensely difficult political choices this need for reform implies for the debtors, The Baker plan will that on fall just as much on stand or fall just as much on the debtor's ability to make these choices as on the willingness of creditors to stump up yet more cash while structural reforms take effect.

#### Unions and takeovers

From the Chief Executive, Elders IXL

Sir,—The trade unions' sub-mission to the Monopolies and Mergers Commission opposing Elders' proposed acquisition of Allied-Lyons—as reported by your labour staff on February 8—appears to be founded on

Your report suggests that the unions have raised doubts over nnions have raised doubts over the financing of the bid, and the financial stability of the company thereafter. As one of Anstralia's largest international groups, and Australian market leader in our core businesses and services, we have an immense responsibility in a transaction of this kind to satisfy not only ourselves, but also our banking syndicate—which comprises bankers of considerable stature and international diversity—that we are able to mount the bid and successfully implement the acquisition in a way which does not tion in a way which does not threaten either our own, or Allied's financial stability.

These banks have committed substantial funds to the venture only because they are confident of its soundness. There would be no question whatever of con-tributions into Allied's pension fund being suspended, and indeed we are prepared to guaran-tee that employees pension rights will not be adversely

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ical

The unions seem also to have The unions seem also to have expressed concern about the break-up of Allied-Lyons. We have publicised frankly our intention to sell Allied's food division. Allied's food businesses are not the result of organic growth or a coherent acquisition strategy, they have just been "stuck on" in a manner which does not generate efficiencies.

efficiencies.

The purchase of J. Lyons brought in food businesses which not only had no obvious fit with the rest of Allied, but do not even fit with each other. Their disposal to purchasers with complementary activities would enhance their prospects and enable them to achieve their full potential.

We have undertaken to consult with the Office of Fair Trading before finalising any sale, and would ensure that the buyers intended to expand the businesses, and safeguard and improve the prospects of employees.

employees.

The food monopolies which it is suggested would result are not at all likely. Companies with an existing substantial market share and high degree of product overlap are not realistic prospective purchasers for these sales. Nevertheless we have confirmed that there is no thortise. shortage of purchasers who would see them as complementary to wider strategic objectives in the sectors concerned.

The unions' fears of loss of jobs and investment are also groundless. We have no inten-

### Letters to the Editor

tion of rationalising locations, and do not anticipate any

Although Allied's brewing interests have substantial poten-

tion, employment, initiative and more effective operations, which would benefit Allied, its employees and consumers.

We have offered to discuss these and all other matters relevant to the bid with the unions involved, but have—as yet—had only a minimal response from them. We would retil welcome opportunities to still welcome opportunities to meet them, and believe that this could help clarify important details and resolve unfounded

fears.
John D. Elliott.
1 Garden Street,
South Yarra, Victoria, Australia.

Going for world markets

From the Chairman and
Managing Director, Air Call
Sir, — Our company has been
known to take a hard line
against the monopoly tactics of
British Telecom. For many

years we have been a competi-tor to it (often the only one) in the value added services arena.

The greatest disadvantage we

The greatest disadvantage we faced in the past few years has been the lack of support from major UK electronic manufacturing companies. They seldom showed interest in supporting or supplying to British Telecom competitors. With recent brave decisions by Oftel they may at last realise that there are alter-

decisions by Oftel they may at last realise that there are alternative purchasers.

It was not, however, until British Telecom showed its strength of purpose, its ability to look elsewhere, that it appears to have dawned at last, that leadership in telecommunications has swung away and outside the manufacturers grasp to the major world service providers. Now we do have market leadership in the UK in a whole host of new service areas — market leadership intent on achieving major market share.

The leadership granted by the greater quality control in the advanced by removing tenure.

The leadership grant of tenure or decisions on promotion. Research is the key, despite the fact that publication is no guarantee of originality, and the likelihood that excellence in the grant of tenure or decisions on promotion. Research is the key, despite the fact that publication is no guarantee of originality, and the likelihood that excellence in the grant of tenure or decisions on promotion. Research is the key, despite the fact that publication is no guarantee of originality, and the likelihood that excellence in the grant of tenure or decisions on promotion. Research is the key, despite the fact that publication is no guarantee of originality, and the likelihood that excellence in the grant of tenure or decisions on promotion. Research is the key, despite the fact that publication is no guarantee of originality, and the likelihood that excellence in teaching unpunished, whether in the grant of tenure or decisions on promotion. Research is the key, despite the fact that publication is no guarantee of originality, and the likelihood that excellence in teaching unpunished, whether in the grant of tenure or decisions on promotion. Research is the key, despite the fact that publication is no guarantee of originality, and the likelihood that excellence in teaching will make at least as great a contribution to the common good as most books or articles.

the Government's policy of liberalisation is vitally impor-tant to Britain, but will be only a part success if this leadership cannot be translated into world market share rather than sup-

market share rather than supply the protected home market.
We believe that this leadership should be assisted
wherever possible by our electronic groups supporting and
being supported by the major
service providers to obtain
world market positions. We do
not see the rationale of the
electronic groups' billions of electronic groups' billions of pounds being used to take over each other when Britain would gain far more from this being invested to obtain international

Is it not econo we combine behind evident market leadership, market leadership, market leadership, market leadership fostered by the government for such purposes? British Telecom, Cable & Wireless and Racal all have protected situations in the UK.

It would indeed be sad if they fight over the small bones of the UK market place when they have the chance of being major players in the world scene. J. W. Tayler. 176-184 Vouxhall Bridge Rd.,

University

From Dr C. Hill.
Sir,—Mr J. Magill (February
6) seems to be out of touch with b) seems to be out or touch with the realities of university life in his call for a maximum of one year's probation for lecturers, and an end to security of

Some universities, like my own, already have the five year probation period Mr Magill criticises, for the simple reason that university staff are judged almost entirely on their research performance, and research productivity cannot be assessed in such a short time as twelve months. It is unfortunate out largely true that good teaching goes unrewarded and bad teaching unpunished, whether in the grant of tenure or decisions on promotion.

articles.

It is right that there should be greater quality control in the universities, but this should apply to teaching as well as research, and will not be advanced by removing tenure.

When my griffiend sent me a single rose. "

Let's hope the two of them can get together on this issue before there is a misunderstanding of Westland proportions. (Mrs) Christine Paget-Brown. market share.

This leadership created by The scramble into print for its Esher, Surrey.

own sake will increase, and teaching will suffer further. We really need to encourage ar equal and symbiotic relationship between good research and good teaching. This means retaining tenure, introducing more efficiency bars (and per-haps inspectors)— and paying serious attention to the salary

(Dr) Christopher Hill, London School of Economics. Houghton Street, WC2,

Auditor's

role From the Managing Director,

Sir,—Under the heading of "Accounting body clarifies stance on auditor's role" (February 5) you quote Mr Ian Percy, convenor of the working party of the Institute of Chertared Accountants of working party of the institute of Chartered Accountants of Scotland, on the topic of the auditor's role in relation to supervisors of regulatory

bodies, among others. Mr Percy is quoted as saying clients must be frank with their auditors. If the auditor is seen by his client in the role of spy for the Big Brother supervisor, the client/auditor relationship has gone."

While Mr Percy is right to emphasise the importance of frankness between auditors and shareholders are the real client would benefit from explicit mention as well. As your management page article of the same day points out, one of the roles of non-executive directors is their role in audit

Paul Massey. 195 Knightsbridge, SW7.

No laughing

From Mrs C. Paget-Brown
Sir,—While widely accepted
as a leading and influential
authority on financial and
industrial matters, the Financial Times is clearly less sure
of its ground in dealing with

of its ground in dealing with matters of the heart.

The delicious feeling of romance, love and intrigue in sending one's beloved a single red rose on St Valentine's Day has now been reduced to one of utter confusion by the contradictory views, of two of your newspaper's Contributors. In tradictory views, of two of your newspaper's contributors. In "Lots of hearty tributes" (February 8), Lucia van der Post says that the sending of a single rose might be seen as "verging on the mean." In his adjoining article "Romance is no laughing matter." Paul Keers states: "The most romantic thing I have ever received was great a contribution to the com-mon good as most books or when my girlfriend sent me a articles.

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FRENCH STATE METALS GROUP BOOSTS PROFITS AND TAPS BOURSE

## Péchiney to raise FFr 1.7bn

two-stage issue of non-voting preference shares (certificate d'investissement, or CIs) on the Paris

rise in group net profits to FFr 750m last year from FFr 546m in 1984 in spite of a big drop in aluminium earnings caused by last year's sharp decline in aluminium prices.

Mr Bernard Pache, the Pechiney chairman, said yesterday that this year's results would depend crucially on fluctuating aluminium prices, which have made a strong recovery on the London Metal Exchange after lows in November of about \$950

Pechiney believes, however, that it now has a profitable "core business" in areas such as special metals and alloys as well as composite materials. This is relatively unaffected by economic fluctuations.

This "core business" in high technology should provide basic operat-

FFr 753m against FFr 1.68bn in 1984. Specialised metallurgical activities and new materials - including activities in nuclear fuel, aerospace, weapons and turbine components - produced operating profits of FFr 1.11bn last year (FFr 975m in 1984), with electrometallurgy and carbon products making profits of FFr 376m (FFr 260m).

Copper processing made losses of FFr 229m (FFr 201m loss in 1984). Pechiney aims to bring this sector into the black within two years through cost-cutting and reductions

the British Prime Minister, yester-day forecast a "prudent and cau-tious" budget on March 18 as she and Mr Nigel Lawson, Chancellor of

the Exchequer, sought in the House

of Commons to lower expectations

Mr Lawson stressed the sub-stantial loss of North Sea oil tax

revenue as a result of the sharp fall

in the oil price" and said it was

quite clear that the scope for ma-noeuvre had been "very greatly

Their comments followed the

usual pre-budget Cabinet discus-

sion of the economic outlook yester-

day morning when the overwhel-ming majority of ministers backed

Mr Lawson's view that in these cir-

cumstances it was right not to take

unlikely to be held before there was

time for one, if not two further bud-

gets when taxes could be reduced. The election must be held by June

During the three-month row over rival rescue plans for the troubled

helicopter group, two Cabinet mem-

about the size of any tax cuts.

PECHINEY, the state-owned ing profits of FFr 1.2bn to FFr 1.4bn These totalled FFr 445m in 1985 rent legislation for nationalised French aluminium and special metin coming years, according to Mr against FFr 1.4bn in 1984 and are companies.

As in the case of the recent capital special meting profits of FFr 1.2bn to FFr 1.2bn to FFr 1.4bn in 1984 and are companies.

As in the case of the recent capital special meting profits of FFr 1.2bn to FFr 1.4bn in 1985 rent legislation for nationalised in companies.

The issue of CIs will be launched Last year's operating profits to-talled FFr 2.01bn, down from FFr 2.71bn in 1984, with aluminium sue price of FFr 225. These CIs – yielding a preferential dividend of a basic FFr 9.5 a share in addition to a fluctuating payout depending on results - will be assimilated into a previous tranche of FFr 800m in CIs issued last July.

> The new issue will carry warrants allowing subscribers a further FFr 900m tranche at FFr 260 a share up to the end of 1987.

The operation will result in an increase in Péchiney's nominal share capital from FFr 3.92bn to FFr 4.27bn through the first tranche, rising to FFr 4.63bn if all the warrants are converted. Private investors' non-voting shares, which cur-Pechiney's overall turnover last rently make up 11 per cent of Pechi-year came to FFr 35.9hn against ney's capital, would rise to 18 per FFr 35.5hn in 1984. The main factor cent after the first tranche of CIs producing the higher net profit was and 25 per cent if all the warrants a sharp cut in provisions linked to were subscribed, Mr Pache said. after FF factory closures and restructuring. This is the limit allowed under curin 1984.

Although no precise figures were

discussed yesterday, the implica-tion is that Mrs Thatcher's refer-

ence to "prudent and cautious" means that the public borrowing target for 1986—will not be signifi-

cantly higher than the existing as-

sumption of £7.5bn (\$10.5bn) for

be taken until nearer the budget,

there also seems to be scope for on-

ly very limited tax reductions possi-

bly, of £1bn or so at best, although

there is no likelihood of any

noeuvre, most ministers accepted

during yesterday's hour-long dis-cussion that there was little point in debating whether the priority

el of thresholds. The former there-

fore, seems likely to be postponed

The only significant challenge to

the Treasury's caution came from Mr Peter Walker, the Energy Secre-tary, who claimed that, despite the

fall in the oil price, there might still

be scope for fiscal relaxation of be-

risks in order to cut taxes. debating whether the priority stage and that some of the pre The Cabinet also accepted that, in should be a cut in the basic rate of on the Government is easing.

until next year.

Given the limited scope for ma-

increase in taxes overall

Although final decisions will not

Thatcher moves to dampen

UK hopes of big tax cuts

BY PETER RIDDELL, POLITICAL EDITOR, IN LONDON

MRS MARGARET THATCHER, second or third place in every opin-

the wake of the Westland affair, the income tax at present 30 per cent,

tal increase for the state owner Compagnie Financière de Suez, the state is selling on the bourse its rights to subscribe to the Pechiney capital increase. The price of the rights will be determined by market

matic attitude over the possibility that Pechiney would be denationalised. The right-wing opposition has promised to sell shares in state companies if returned to power in next month's general elections. He said any sale would have to be carried out in a way which did not prevent Péchiney raising fresh cash from the capital markets in coming

Pechiney's market capitalisation is presently estimated at about FFr 10bn according to the price of the first issue of CIs made last year. Mr Pache said Péchiney would need to raise continued funds for capital investment, put at FFr 4bn this year after FFr 5bn last year and FFr 3bn

public investment and higher

thresholds. These figures are not

accepted by the Treasury.

Mr Walker received partial support from Mr Kenneth Baker, the

Environment Secretary, who called

for additional expenditure on some programmes like housing. But he started by congratulating Mr Law-son on his handling of the financial

and foreign exchange markets over the past few weeks.

Most other ministers accepted, a

few reluctantly, that it would be po-

litically better not to take risks now and to look to the long term. This also reflects a general desire to lower

the temperature after the upsets of

the past six weeks. Indeed senior

ministers now believe that the Westland affair is at long last mov-

ing off the centre of the political

stage and that some of the pressure

Several ministers suggested de-

specially targeted at reducing un-

employment. Sir Geoffrey Howe, the Foreign Secretary, among oth-ers, is believed to have backed an

extension of the special employ-

ment and training measures, which are being further reviewed by Lord

Young, the Employment Secretary.

## Italy joins **Denmark** in rejecting **EEC**

reforms

ITALY yesterday refused to sign a package of European Community constitutional reforms on the grounds that the changes negotiated last year are too modest.

It thus joins Denmark which is withholding acceptance of the pack-age at least until after a referen-dum to be held on February 27. Denmark, however, believes the lanned changes are too sweeping.

The Italian decision came after debates on the package at the European Parliament and after a government consultation with the national parliament. The refusal was announced in Rome and representatives of Italy's EEC partners were informed in Brussels yesterday

The Netherlands Governmen now holding the Community presidency, nevertheless intends to go ahead with the signing ceremony planned for Luxembourg next Monday. "We will not shoot the Ital-

ians," a Dutch diplomat said. Italy and Denmark may be joined by Greece in refusing to sign, but last night it was not immediately clear what the intentions of the Greek Government were.

The package at the centre of the renewed political difficulties in the Community is designed to speed up decision making by introducing more qualified majority voting in ministerial meetings, enlarge the European Parliament's legislative role and solidify political co-operation. The whole is termed a ingle European Act.

It was assumed in Brussels that the Italian refusal would be lifted if Denmark eventually signs the package. Italy and Greece have been concerned that a signing ceremony on Monday would amount to undemocratic pressure on the

At the same time it was noted that now the Danish Government is no longer isolated some urgency had been lifted from the referen-

Although the Italian stand was not unexpected, it is diplomatically awkward for Rome to be seen as EEC reform, a cause it has constantly preached.

But the signing ceremony in Luxembourg means that the text of the constitutional agreement is highly unlikely to be changed to meet either Italian or Danish pressures, coming from opposite ends of the Com-

munity spectrum.

To come into force the agreement needs the unanimous approval of the 12, as well as ratification by national parliaments. It is thus doubtful if, in any case, it would have come into effect before the autumn. Editorial comment, Page 18

### Siemens joins bidding for **Bell contract**

By Paul Taylor in New York SIEMENS, the West German elec-

strical group, has moved another key step forward in the race to sell digi-tal telephone exchange switches to the local Bell telephone companies. Ameritech, one of the seven regional telephone holding compa-nies, has formally added Siemens to a list of vendors who will hid later this year for \$100m in digital switch contracts. Siemens will join Canada's Nor-

thern Telecom and American Telephone and Telegraph (AT and T), which together dominate the US market for digital network switches, in the battle to win a slice of Ameritech's local Bell telephone company orders for installation of digital switches in 1988 and 1989. tal switches each costing about

The bids are due to be submitted this summer and contracts will be awarded primarily on the basis of price. Ameritech said, however, the switches will also have to offer a full complement of advanced tele-phone switching features and be capable of each being expanded to handle between 30,000 and 100,000

The move, the first time a regionheld up by indecision in Copenha-gen. The Swedish Government said as a third bidder for Bell system di-it was prepared to start work on a

Earlier this year it won a contract to supply a test switch to Wisconsin The Saab car plant is one part of a far-reaching SKr 31bn capital investment and research and develop.

Bell, one of the five Ameritsch local telephone operating companies.

Last Month Siemens and GTE THE LEX COLUMN

## Daisy chains in Rotterdam

The \$10 fall in the oil price was never going to leave the North Sea forward market unscathed; but amid the general smell of scorching since January, it is not easy to say how many fingers have been burned and how badly. At the very least the oil majors

seemed yesterday to be less than heartbroken at the discomfort of small traders. This will no doubt mean that the market, which has functioned fairly well as a hedging mechanism quite unregulated for four years, will not simply cease to

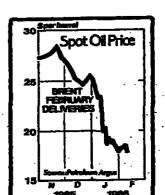
These past weeks the market has esembled nothing so much as a housing chain when mortgage are rates going through the roof. The risk of default was always present as the flood of netback crude enter ing the majors' refineries forced down the price of February deliveries in the spot market, handing large losses to the long traders at the top of each chain of transac-

What appears to have dried up the market was not so much stories of Sandis-under-the-bed as evidence that some traders were stufffing their loss-making positions into one chain in order to precipitate a break. An unregulated market requires gentlemen rather than cut-throats, and the unravelling of liti-gation between each trader could make the career of a 600,000 barrel Brent cargo through 100 hands seem positively straightforward. As yet the majors seem to be showing no desire to rescue traders whose activities, for example in the products market, are not exactly conducive to stable netback

What trading exists is being conducted on very restrictive black lists, chain by chain. However, without some attempt by the majors to clear up the mess it may be some time before the market regains the liquidity to provide the majors with their price and margin hedge.

#### SIB/Stock Exchange

The dignified aspirations of the Stock Exchange as a self-regulatory body ~ pioneer of City police work and responsible only to the Department of Trade and Industry - seem



ceded the SIB's case for having direct powers to rewrite the rules of individual regulatory agencies, in-cluding those of the stock exchange. The SIB will not, after all, need a court order before it can enforce rule changes that it may think

A lot will depend on the precise definition of the SIB's enlarged powers; if interfering with the rule-book of an SRO is made a sufficiently protracted business, with lots of built-in consultation, the SROs may yet consider themselves more than a set of rubber stamps. But it does look as if the second tier of regulation has lost its last claim to independence; and the senior practitioners who have had to be dragooned on to such bodies as the Stock Exchange Council may now be even more reluctant to perform.

#### Rodamco/Haslemere

scarcely mattered; after a long perishare may have given themselves a for the accountants on the Brompgentle kick in the early evening as ton Road to pack over.

the Haslemere price touched 620p, but there is little prospect that the early sellers will look as ally as deal, Imperial must be shead on

ly to be guided more by outside forecasts which point to a figure of around 675p. Even on the present terms, that would leave Rodamco paying something of a premum over average sector values for con-trol. Given Haslemere's poor earn-ings and asset growth performance over the past five years, a slight tweak to the present offer should be sufficient to win the day. ab-50

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sufficient to win the day.

For Rodamco, Haslemere represents an obvious entry into the UK property market which, leaving equity investment aside, has not so far figured in its worldwide portfolio. Haslemere is equivalent in size to the whole of Rodamco's US interests, so the Dutch group will almost certainly want to adjust the weight-ing by trimming the Haslemere portfolio. Perhaps the most intriguing feature of the whole deal is that Rodamco did not sound out its target before launching yesterday's bid. The risk of a security leak is now so great in the London market that even the gentlemanly Dutch prefer to shoot first and ask ques-tions later.

#### Hanson/Imperial

Imperial Group has so far more tered a rousing defence to the Han-son Trust assault and yesterday it added to its fortifications with a stretched the Hanson terms with out stretching the market's credulity.

A month ahead of the UK budget

any forecast for a year which ends in October must be treated with ROTATHCO/ Flasiemere caution, but Imperial has at least specified the likely level of pub disafter dawn yesterday to mount its raid on Haslemere Estates but that agreed to drop the habitual unextraordinary extraordinary items od in the wilderness, the dawn raid from its revenue account. Hanson is back in town. The institutions may very well raise questions about which sold 12.3 per cent of Hasleimperial's marketing spend but mere's equity at around 600p a there is, on the face of it not much

they did after the R & P raids of a points at this stage. Hanson's few years ago. If 620p ist not the opening offer is now dead and burievennal price for control of Hasle-ed—it was admittedly never frisky mere, it should be something very—and the market appears to be anciose.

## Rodamco in £240m bid for Haslemere

By Michael Cassell in London

RODAMCO, the Netherlands-based property investment trust, yester-day launched a surprise bid for Hanere Estates, the UK's twelfthlargest property company. The of-fer, which was immediately reject-ed, values Haslemere at £240m

The unwelcome approach was preceded by a dawn raid in which Rodamco, through stockbrokers Rowe & Pitman, managed to raise its stake in Haslemere from 11.7 per cent to 24 per cent.

Rodamco's offer puts a 600p-ashare price tag on Haslemere, against stated net assets per share of 649p in March 1985. Current estimates put the figures at around

News of the bid sent Hasle shares soaring ahead of the offer price, rising 115p to close at 620p and giving the company a market capitalisation of £182m. The investment portfolio was valued last March at £290m. In 1984-85 Haslemere's pre-tax profits rose to £6.4m, having peaked at £7.08m in 1982-83. Early yesterday Mr Cornelis van

Rijn, managing director of Rodam-co, described the offer as "gen-erous" and said he hoped it would be accepted by the Haslemere di-rectors, whom he planned to see lat-

er in the day. But even before the meeting went ahead Mr David Pickford, chairman of Haslemere, said the terms were wholly unacceptable. He described as "blatantly untrue" suggestions from the Rodamco camp that the company had become "a little too

He added: "Those who have sold at 600p may already be regretting it. The company rejects Rodamco's uninformed assessment of Haslemere, which shows it to be out of touch with our up to date net asset value, proven management skills and excellent prospects for growth." Mr Pickford said Haslemere had

a very active investment and development programme under way and lanned. He strongly advised shareholders to retain their shares. Haslemere will be writing to them today to spell out its defence. The Rodamco bid is, at this stage,

confined to Haslemere's ordinary shares and is worth £179m. A subsequent offer for the convertible shares will raise the value of the total package to £240m. Rodamco is part of Robeco

Group, which has \$6bn of funds under management and represents the largest stable of investment trusts outside the US.

#### authority has been questioned and tween £2hm and £3%hm and this the Conservatives have fallen to should go in a mixture of additional Editorial comment, Page 18; Resolution of crisis, Page 19 US warning on Mexican economy

are available, he added, "but none will be available if Mexico is not willing to undertake basic reforms. He suggested Mexico may need "shock treatment" similar to the approach adopted by President Alfon-

sin in Argentina.

America's ability to help was restricted by budget constraints and a limited ability to purchase oil from Mexico for its strategic petroleum reserve, the official said. But he maintained that, within a few weeks of "earnest negotiations"

Continued from Page 1

market, there is a case for uphold-

ing strict competition between MBB and Daimler's aerospace

Daimler-Benz appounced earlier

this week that it had agreed to an-

other of the Cartel Office conditions

to sell its indirect 9 per cent stake in Metallgesellschaft, the metals,

Daimler holds this stake through a company in which Siemens is also

a partner. In addition, Kolben-

schmidt, a Metallgesellschaft sub-

mining and trading group.

as the Administration expects.

Mexico could complete an IMF pro- form of the international monetary gramme and put together a bank fi-nancing package. system, had prompted President Ronald Reagan's decision to ask US

cial conceded that any improve-ment in America's \$148bn trade def-icit will not come soon enough or be al monetary conference. "We belarge enough to head off a resurgence of protectionist pressures, es-pecially if economic growth revives

sidiary, supplies vehicle components to Daimler-Benz.

high-technology research.

**Enichem-ICI** 

**PVC** merger

Continued from Page 1

pound operations of Enichem and ICI will be consolidated into the

sets will remain with the respective

parent companies. Manufacturing

The AEG acquisition is the third

tection and about legislative propos-

nancing package.

On other financial issues, the official conceded that any improveexamine the subject and look into

ing," he said. He said the US favoured discus sion of the issue at the interim com-He added that concern about pro- mittee of the IMF in April and elseals on Capitol Hill calling for re- world economic summit in May.

where including the OECD and the

#### Daimler-AEG merger approved | Sweden to close Kockums shipyard

Continued from Page 1

major takeover by Daimler-Benz in little more than a year under its strategy of widening its activities into high technology areas.

It first gained complete ownership of MTU, the aero and marine making which the business are into the control of Merchant shipbuilding at Kockengine maker by buying out its equal partner, the Man truck group. It later bought 65.5 per cent of Dornier, which makes light aircraft and is involved in a wide range of

capacity for PVC will be updated in the UK, Switzerland and Italy. The initial capital of the new venture has not been disclosed, but combined annual turnover should

ums is expected to cease within 18 months to two years. The present order book will be completed by the beginning of 1987, but the Government yesterday promised additional funds to guarantee some work during 1986 and 1987 to allow a more gradual run-down. The yard has not won a new order since 1983. As part of its aid package to the region, the Swedish Government also expressed unreserved support for the ambitious plans to build a SKr 3.3bn (at 1984 prices) road bridge across the Oresund straits between Malmö and Copenhagen, a project that has been discussed for decades by the Swedish and Danish

The plans for both the road bridge and a SKr 23bn rail tunnel under the Oresund are still being road bridge as soon as agreement breakthrough for Siemens. could be reached with the Danish

vestment and research and development programme in Sweden announced plans to launch a US planned by Saab-Scania for the joint venture equipment group, years 1986 to 1992, more than doubling its pace of investment in the the advanced equipment if it wins

January 1986



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For one thing, Rodamco is al- 300p. Stripping exceptional items to have received their last unkindest cut. Not only has its chairman's call to the top table of regulation, the Securities and Investments Board, unaccountably failed to arrive, but the Government has con-

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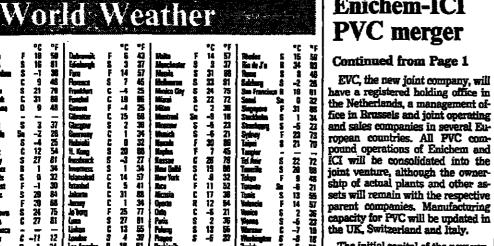
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## SECTION II - COMPANIES AND MARKETS

## FINANCIALTIMES

Friday February 14 1986



## Saab-Scania plans SKr 31bn boost to car production

BY KEVIN DONE, NORDIC CORRESPONDENT. IN STOCKHOLM

motive and aerospace group, plans a substantial increase in its car pro-duction capacity as part of a SKr 31bn (\$4.16bn) Swedish capital investment and research and development programme for the six years

Saab said that it planned to build a SKr 3bn car plant on the site of the Kockums shipyard in Malmo, southern Sweden. The Government announced yesterday that the yard's merchant shipbuilding activities are to be closed.

Saah was investing heavily already at existing plants to increase car output to about 150,000 by the end of 1988. But according to its new plans, capacity will be in-creased again to about 210,000 in

In 1980, car production slumped to a low of 65,800 units. But the company's fortunes have been revitalised by the launch of new models and by development of its turbo en-

About a third of its car sales are in the US, where sales jumped by 16.7 per cent in 1985 to 38,243 -double the 1982 level.

Saab said the plant in Malmo would be built in two stages. Construction of the first stage would begin in 1967-88 with first production in 1989. From 1989-92 the new facto-

SAAB-SCANIA, the Swedish auto- with a production capacity of 60,000 cars a year.

The second stage is planned for the beginning of the 1990s when the plant will be expanded to a complete car factory with body and paint shops. By about 1993 the plant will have an assembly capacity of 90,000 cars a year and a body and

paint shop capacity of 60,000.

The plant should provide about 1,200 jobs by 1988-89 and about stage is completed.

Mr Georg Karnsund, Saab man

aging director, said yesterday that the company had decided that "a capacity of 150,000 units will not be sufficient when we enter the 1990s." It is expecting continued strong growth for high-performance execu-

The decision to locate the plant at Malmo will allow the transfer of assembly facilities from a nearby plant at Arlov and has been aided by the promise of a support grant from the state of SKr 374m. The state has also decided to free SKr 12.5bn of the company's investment reserves which can be used tax-free

for a range of capital investments. The same benefits were granted to Volvo in conjunction with that company's planned construction of a new car plant in Uddevala in western Sweden which is due to go ry will operate as an assembly plant into production in 1968.

## J. P. Morgan unveils corporate remould

BY PAUL TAYLOR IN NEW YORK

J. P. MORGAN the fifth largest untion of a series of carefully conbanking group in the US, yesterday unveiled a new corporate structure merging the group's global corporate lending and investment bank-

ing activities into a single unit.

The reorganisation highlights Morgan's past into the worldwide investment banking business—along with some of the other major seeking to emphasise these activities over basic commercial and Arthur Rogers were both promoted.

Morgan, whose main banking unit, Morgan Guaranty, is consistently one of the most profitable of the big New York banks, said it had com-bined its credit-related and capital market services into a new corpo-

rate finance group.
As part of the change, which was approved by Morgan's board on Wednesday and disclosed to staff in a 10 page memorandum, the compa-ny named Mr Robert Engel, aged 54, a former executive vice president and treasurer of the bank, to head the new unit with the title of group executive, corporate finance. Mr Lewis Preston, Morgan's chairman, said: "The new corporate finance group combines in a single global organisation unit the resources and skills we can apply to solving the complex financing needs of clients.

"The structure is a logical contin-

sidered actions that can be dated to 1977 when we integrated our worldture defines the functional compo nents of our business, provides a framework for adapting to change and streamlines the delivery of ser

Morgan elso announced a series to executive vice presidents of Morgan Guaranty, Mr Peter Smith, who was in charge of the former banking division, becomes chairman of the bank and group's credit policy committee, succeeding Mr William Pike, who was named executive vice president and chairman of Morgan Bank Delaware. Mr Kurt Viermetz was named treasurer of the bank, succeeding Mr Engel.

The reorganisation at Morgan mirrors similar changes under way at a number of other leading US banks, including Bankers Trust, which have turned increasingly to more profitable investment banking and off-balance-sheet financing to offset thin margins and aggresive competition in traditional commercial bank lending activities. In contrast, some other major banks have chosen to stress retail banking and consumer credit activities.

## **Fermenta** to build drug plant in Ireland

By Hugh Carnegy in Dublin

FERMENTA, the Swedish pharmaceutical company, is to establish a production plant in Ireland with operations to include the manufacture of a new drug for treating arterial

lin yesterday. The location and size of the plant are understood to be under discussion by Fermenta and Ireland's Industrial Development Authority IDA) which is backing the deal.

nouncement by the Swedish Foundation for Applied Research in Medicine (Farm), a commercial research company which has an Irish

Farm said it had agreed a joint venture with Fermenta under which Fermenta would produce at its Irish plant a drug called Brinase developed by Farm through re-search in Sweden and Ireland. Details of other production by Fermenta have yet to be disclosed.

Brinase is an enzyme prepara-tion which, Farm says, is effective in dissolving blood clots previously treatable only by arterial surgery, or by amputation in severe cases. A further joint venture has been

agreed between Farm and the Institute for Clinical Pharmacology in Athlone, Co Westmeath, for the testing of Brinase produced by The IDA also confirmed that the

French company Laboratoires Servier is to establish its first foreign production plant at Arklow, Co Wicklow, with backing from the authority. It will employ about 100 people making cardio-vascular and other drugs and is due to open in

of the key areas earmarked for delopment and inward investment by the IDA. Ireland is now the world's 12th largest exporter of pharmaceuticals. The sector em-

BY WILLIAM HALL IN NEW YORK

the Peruvian action. The charge, from equivalent to \$4.93 a share, reflects charge.

income of \$74.8m in the final quar- 1985.

estimated recoveries from insur-

ductions and merger costs.

## US MOTOR GROUPS HIT BY STRIKES, DISCOUNTS AND LAUNCH COSTS Ford, Chrysler profits slip BY TERRY DODSWORTH IN NEW YORK

THE big three US motor companies rose to \$96.4bm in 1985 while the suffered a 17 per cent fall in earnageregate number of vehicles ings last year as the impact of shipped worldwide by the trio rose strikes, deep-discount promotional to 17m from 15.9m. campaigns and new product launches cut into profit margins.

Chrysler enjoyed the third-best profits figures in their history with \$9.8bn of 1984, the best year ever. Ford and Chrysler brought the

ings statement earlier in the month, showing a decline in net income to

All three of the Detroit producers experienced a decline in their profitability during 1985. Chrysler was hit harder than General Motors and Ford, largely because it was closed down for a period by two costly strikes. Chrysler also gave employ-ees a special lump sum payment of \$250m as part of the settlement of the wages dispute.

Ford's earnings, showing a drop to \$2.5 bn, or \$13.63 a share, from \$2.9bn, or \$15.79, on sales that were virtually static at \$52.8bn against \$52.3bn, were better than the market had expected

Chrysler's figures, however, proved to be a disappointment as the company announced a 33 per cent decline in earnings to 51.6bn, or \$9.38 from \$2.4bp, or \$12.59 destors moved once again to the top of pite a jump in turnover to \$21.3hn the US sales league as its revenues from \$19.68bn.

The slump at Chrysler brings to an end a spectacular series of earnings increases which have elevated the company's chairman, Mr Lee Iacocca, to the status of national hero for his skill in turning the company around after its five-year period of losses from 1978 to 1982.

Wall Street was prepared for lower profits at Chrysler because it has used up all the tax-loss carryforwards that helped its earnings figures in the early period of recovery In the fourth Quarter, however, the company suffered a sharper setback than some investors had expected as net income fell to \$215m. or \$1.31 a share, from \$609.7m, or 53.27, on a sales increase to \$5.4bp.

Chrysler said that its profits would have exceeded the previous year's if it had not had to bear the

General Motors released its earn- expense of the strike and the bonus pay-out in the quarter, which to gether cost the group \$400m.

Ford's fourth-quarter earnings fell marginally to \$720m, or \$3.97 from \$721m, or \$3.89, on a sales increase of 5 per cent to \$14bn. But these slightly lower figures were accompanied by an extremely up-beat assessment of this year's prospects. The company said that its 1985

results, achieved at a time of considerable upheaval caused by new product launches, had demonstrat d its "increased earnings power resulting from better quality, new products and improved efficiency."

Mr Donald Petersen, chairman and Mr Harold Poling, President, added that the recent appreciation in the value of the yen would help to strengthen the group's competitive position in the US while the sharp decline in oil prices "should result in higher industry car and truck sales over the next several

Men and Matters, Page 18

## **Philips** ends **V2000** recorder

PHILIPS, the Dutch electronics group, is finally ending production of its loss-making V2000 video cassette recorder after failing for years to gain enough share of the worldwide market to compete with the

The V2000, which was introduced n 1979 after joint development with Grundig, has been out of production for 18 months, but Philips steadfastly refused to declare it a dead proect until this week. Outside the Netherlands, West Germany and Austria, sales of the V2000 lagged increasingly far behind the compet-ing VHS format of Matsushita and Sony's Betamax.

Losses will amount to several hundred million guilders, according to the company, covering research and development, marketing and capital expenditures. No write-offs will be taken on the 1985 accounts, however, because the two V2000 factories in West Germany and Austria will continue to be used for production of VHS format

Philips partially conceded defeat for the V2000 two years ago when it began producing the VHS format under licence from Matsushita. Production capacity of the two plants is 2m recorders a year, but they are running below maximum output.

The end of the V2000 should help put Philips' audio-video division back into profit although VHS recorders are also losing money. Mr C. J. Van der Klugt, the new chairman who takes over the reins in April, has predicted that the division will return to profit next year. In a determined effort to make its VCR business profitable. Philips is making the European factories more cost efficient and expanding production in the Far East, Two new factories, one in South Korea and the other in Japan, are

## Despite this slide in profitability, however, General Motors, Ford and combined net income amounting to \$6.1bn, ranking behind only the \$8.99 recorded in 1983 and the

annual reporting season for the car companies to a close yesterday with 1985 figures that brought a mixed reaction from Wall Street.

Buoyed by a record market in which total US vehicle shipments exceeded 15m for the first time, the big three recorded their highest turnover figures at \$170.4bn, up from \$155.7bn in 1984. General Mo-

## Olivetti hopes to raise L630bn from bonds

BY ALAN FRIEDMAN IN MILAN

tomation group, expects to raise up research and development. The to L630bn (\$393m) from its planned livrea-based group debt stood at 10-year, 3.5 per cent Swiss franc L250bn at the end of December, bond issue with warrants to buy up against L319.3bn at the end of 1984. to 40m non-voting saving shares. Parent company liquidity was The bonds will raise L430bn, and L160bn, compared with L100.8bn in the warrants, if fully exercised, a 1984. further L200bn.

Mr Carlo de Benedetti, Olivetti • Montedison, Italy's leading

investments - L490bn in fixed and years.

For the full year, the group re-

**HNG-Internorth makes** 

\$182m loss in quarter

HNG-INTERNORTH, the big US ter of 1985. However, primary earn-

natural gas pipeline group, yester-day reported a \$182.6m loss in its fi-nal quarter as a result of the nation-preferred stock dividend, showed a

alisation of its Peruvian operations loss of 27 cents a share in the final

and the restructuring costs asso- quarter compared with a profit of ciated with the recent merger of the \$1.42 a share a year ago.

The company took a charge of part of the fourth-quarter loss from

\$218m in its final quarter to cover continuing operations stemmed the Peruvian action. The charge, from the \$88m non-recurring

ance, compensation and the possi-ble return of some property from \$14.1m. or \$1.42 a share, compared

the Peruvians. The company also with earnings of \$296.8m or \$5.61, in took a \$88m pre-tax charge in its fi-

nal quarter to cover workforce re-ductions and merger costs.

tions just about broke even in the 1984. The group's revenues rose fourth quarter compared with net from \$7.3bn in 1984 to \$10.3bn in

The company's continuing opera- \$185.8m compared with \$286m in

OLIVETTI, Italy's leading office au- commercial assets and L280bn in

chairman, said yesterday at an ex-traordinary shareholders' meeting, nounced a joint venture with Matewhich approved the issue, that Oliv-etti's 1985 consolidated group net (MER) of Arizona in the field of profit was about L500bn on group advanced ceramics for the electronrevenues of L5,130hn, up 34 per cent ics and engineering industries. Under the plan Montedison will invest Olivetti last year made L770bn of \$10m to \$15m in the next three

## Caterpillar Tractor in takeover defence move

BY OUR FINANCIAL STAFF

THE BOARD of Caterpillar Tractor, the world's largest earthmoving equipment manufacturer, has proposed that the company change its bylaws and charter "to strengthen the board's ability to deal with unsolicited takeover attempts."

Because such anti-takeover provi sions are forbidden in California, where the company is incorporated it plans to reincorporate in Delaare, which does not prevent such

Although the company claims it is not aware of any takeover activity aimed at Caterpillar, it believes the adoption of these provisions is

takeover developments involving

The board's proposal comes at a time when Caterpillar is in the black for the first time in three years. Net income for 1985 reached \$198m, total debt declined \$457m to \$1.4bn and stocks were reduced \$107m to \$1.1bn.

This turnround in Caterpillar's fortunes has helped it to begin a new modernisation programme. The company plans to spend more than Sibn in the next five years on advanced manufacturing and engineering technology, including \$600m previously announced to automate its 21 manufacturing fa-



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National Westminster Bank Group

## ICI, ENICHEM MERGER OF PVC INTERESTS TACKLES OVERCAPACITY HEAD-ON Slimming down petrochemicals industry

BY TONY JACKSON, CHEMICALS CORRESPONDENT, IN LONDON

THE MERGER of PVC interests by ICI and Enichem, details of which were announced yesterday, points to a trend which could be of major significance for European petro-

chemicals.

First, a large chunk of overcapacity is being taken out of a loss-making market. Second, the bulk of the ing market: Second, the bulk of the closures is being suffered by the Italian partner, Enichem. Of the 300,000 tonnes of PVC capacity being shut down, only a third belongs to ICI, and Enichem will suffer 1,000 of total job losses of 1,300.

This is not a nationalistic question. Following the collapse of the world market for petrochemicals in 1980. Large amounts of capacity

atume,e,p

1980, large amounts of capacity have been taken out by European producers of bulk plastics such as producers of blue plastics such as PVC and polyethylene, Private-sec-tor producers, such as ICI and the major German groups, have ac-counted for much of this. Nationalised industry producers, in Italy, France and Spain, for in-

stance, are widely felt in the industry to have done less than their of a form of regional aid which, be-

standable: but, since most bulk plastics in Europe still suffer from overcapacity of between 15 per cent and 20 per cent, it is to the nationalised companies that the industry has been looking for the next phase

Prof Franco Reviglio, chairman of ENI, Enichem's parent company. puts the point another way. For too many years, he says, "commodity chemicals in Europe have operated in a restricted field, without taking account of the wider European market of 300m people." If the ICI/En-ichem venture takes the petrochemicals industry further from the kind of nationalistic power-play which characterises the European steel industry, that will in itself be a useful

The change of heart in Italy is not, perhaps, all that surprising. The huge petrochemical plants which constitute the bulk of Enichem's assets are the inheritance

share. Politically, this is under-sides disfiguring the Italian coast-from But ICTs difficulties have also line, has in its time cost the Italian

taxpayer enormous sums of money.

In the Europe-wide petrochemicals slump of 1981-82, the \$1bn or so lost by the Italian industry is said to have come close to precipitating an making. Italian banking crisis. Enichem was then formed as a rescue operation for the industry and came close to breaking even before financing costs by 1984. On the other hand, 1984 was the year in which ICI - al-1984 was the year in which ICI - al-so a heavy loss-maker in petro-chemicals in 1981-82 - made overall possible in a selected product and profits of £1bn (\$1.4bn) before tax.

For ICI, the merger still leaves open the question of how wise the group was to specialise in PVC in the crisis years of the early 1960s. PVC is unusual in that its producers throughout Europe are all vertically integrated through chlorine, ethy-lene and vinyl chloride monomer (VCM) production to the final prod-

It is, therefore, an unusually diffi-times of trouble, that is much to be

But the merger with Enichem is a head-on confrontation of the problem. Recent months have seen a number of plant swaps, sales and mergers between European petro-

applied to others, and hence the

forcing someone else to tackle the problem of overcapacity. What is unusual in this case is that the merged business will be as large as any PVC producer in the world – and larger than any in Europe - and yet its owners them-selves propose to take out half the European industry's overcapacity. If the European industry is turning away from its time-honoured tradi

cult market to extricate oneself

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14th February, 1986

INTL. COMPANIES & FINANCE

## **National** Semi shifts strategy

By Our New York Staff

NATIONAL Semiconductor, the US computer chip manufacturer, is formally abandoning the Japanese-dominated market for basic computer memory chips. Mr Charles Sporck, National Semiconductor's president, told analysts that the company planned instead to concentrate on customised advanced semiconductors.

National Semiconductor also announced a long-term agreement with Xerox to exchange technology and expertise in the development of custom-made integrated circuits.

Mr Sporck's comments were

made at an analysts' meeting at the group's new \$100m state-of-the-art lant in Texas, which manufactures advanced complementary oxide semiconductor (CMOS) chip wafers. His remarks represent formal recognition of a process of withdrawa by US chip makers from basic memory-chip manufacture apparent during the past year. The National Semiconductor executive said: "All domestic manufac-

turers, with the exception of Texas Instruments, have more or less decided it is impossible to continue competing in the dynamic random access memory (Dram) market." IIS semiconductor manufacturers

have all but abandoned the \$3bn market for 64K and 256K memory chips in the face of cut-throat pric-

BY DAVID WHITE IN MADRID

bank, announced a modest rise of

less than 6 per cent in its "surplus,"

or profit, last year to Pta 11.3bn

(\$76m), with growth still just above

Although the profit increase was

less than the 19 per cent in 1984, Mr Josep Vilarasau, chief executive of

the Barcelona-based bank, de-

scribed the performance as "very

satisfactory" in view of the sharp

fall in interest rates during the

After deducting provisions for

corporate income tax, the surplus is

## Johnson & Johnson earnings rise by 19% at year end

BY PAUL TAYLOR IN NEW YORK

health care and pharmaceuticals group whose brand-name products include Tylenol, the popular pain reliever at the centre of a cyanide poisoning investigation in the US, reported a 19 per cent increase in fourth-quarter and full-year net

Two other big US health care and drug groups, Upjohn and Sterling Drug, also reported higher fourth-quarter and full-year profits from

Full-year net earnings were \$613.7m, or \$3.36 a share, compared with \$514.5m, or \$2.75, on sales which grew to \$6.42bn from \$6.12bn in 1984. J&J said that at average

1984 exchange rates, sales last year would have increased by 7.4 per cent compared with the posted 4.8 per cent gain.

JOHNSON & JOHNSON, the US on sales 7 per cent up at \$1.86bn 1984 carnings were depressed by ha vestment spending to counter the jor competitive activity in the sand tary protection and over-the canater analgesic markets.

r analgesic markets. Uplobn, which sold its workstide polymer chemicals business to Dos Chemical last August, reported fourth-quarter net earnings of \$50.3m, or \$1.63 a share, up from \$33.86m, or \$1.11, in the previous year on sales which increased 14 quarier and full-year profits from continuing operations.

J&J's fourth-quarter net earning increased to \$127.7m, or 70 cents a share, from \$167m, or 59 cents, in the corresponding period a year ago

The group said its earnings last per cent to \$514.2m from \$450.7m latest quarterly earnings included a \$102.000 gain from discontinued operations while the corresponding period a year ago

year on sales which increased 14 per cent to \$514.2m from \$450.7m latest quarterly earnings included a \$102.000 gain from discontinued operations.

## Norsk Hydro profits at NKr 2bn

NORSK HYDRO, the Norwegian industrial and energy group, is in-creasing its dividend to NKr 6 a share for 1985 from NKr 4.50 a year earlier. But Mr Torvild Aakvaag, the group's president, is unwilling to make any forecast about the year's result because of the many uncertain factors in the market, particularly falling petroleum

Preliminary figures published yesterday show an 18 per cent rise in sales to NKr 42bn (\$5.7bn). About half the increase, NKr 3.2bn, reflected acquisitions during the year.

New funds from customers

amounted to Pta 229hn, bringing the total to Pta 1,334hn, an increase

of almost 21 per cent. This com-

pared with a 20 per cent increase

for Spanish savings banks as a whole, which have been expanding

their share of the market compared

La Caixa is awaiting permission

from the Andorran authorities to

take over the minority share held by Banque Indosuez of France in the principality's leading banking institution, Credit Andorra.

with commercial banks.

Bank maintains growth

LA CAIXA, Spain's leading savings allocated to community welfare

funds and reserves.

the price of Hydro's shares fell on the Oslo stock exchange yesterday, easing NKr 9.50 to NKr 131.50

Overall operating profits were production is gas and price drops down by NKr 235m to NKr 5.7bn, for gas tend to lag about six months but the drop was offset by net fibehind those for oil. nancial items which were positive to the tune of NKr 62m, an improvement of NKr 780m from the year

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American International Group, Inc.

MORGAN STANLEY & CO.

Net after tax profits rose NKr 55m to a record NKr 2.07bn, but the figure was lower than expected and the price of Hydro's shares fell on the Oslo stock exchange yesterday, tories. Most of Hydro's petroleum-

For the group as a whole, the its pact of lower petroleum prices will be cushioned by the fact that its earlier.

The fall in oil prices hardly affected last year's results. The poorer performance of the petroleum divi-

#### **EUROPE 1 COMMUNICATION**

The Board Meeting of the EUROPE I COMMUNICATION-Company has met under the chairmanship of Mr. Pierre Barret to close the accounts of the fiscal year ending on September 39.

(1) Net results of the Company amount to FF 62,983,008 (against FF 10,477,000 for the preceding fiscal year), after tax on profits of FF 23,973,000 (against FF 28,983,000) and after exceptional provisions reduced to FF 19,521,000 (against FF 67,172,000), taking into account the transfer of the Telé-Monte Carlo Italian branch during the fiscal year.

(2) Consolidated results (not finally set) will be about 99 million Francs, of which 85 million for the group share against respectively FF 27,736,000 and FF 14,012,000 in

(3) The Board will propose to the General Meeting, the date of which has been set on March 28, 1986 in Monaco, the distribution of a dividend of FF 33 net per chare against FF 15 a year ago.

#### **North American** quarterly results

| Steel Year                 | 1988             | 1984               |
|----------------------------|------------------|--------------------|
| Revenue                    | CS<br>1.18ba     | CS<br>1.1bn        |
| Op. net profits            | 19.8m            | †45.7m             |
| Op. net per share          | 11.82            | 14.30              |
| † Loss                     |                  |                    |
| ANCA INTERNATIONAL         | <u> </u>         |                    |
| Conglomerate               |                  |                    |
| Fourth quarter             | 1985             | 1984               |
| Revenue                    | 400.3m           | 356.1m             |
| Net profits                | 3.2m<br>10.03    | 14.7m<br>10.23     |
| Year                       |                  |                    |
| Revenue                    | 1.55bn<br>16.76m | 1.44ba<br>11.65m   |
| Net per share              | 10.12            | 10.25              |
| t Loss                     |                  | •                  |
| ·                          |                  |                    |
| CAMPBELL SOUP Canned soups |                  |                    |
| Second quarter 1           | 265-86 1         | <del>964-6</del> 5 |
| Revenue                    | 1.18bn           | 1.06ba             |
| Net per shere              | 69.7m<br>1.02    | 60.2m<br>0.93      |
| Six isontha                |                  |                    |
| Hovenuo                    | 2.26bn<br>121.5m | 2,06bn<br>108,8m   |
| Net profits                | 1.88             | 1.66               |
| -                          |                  |                    |

1984 8 1.05bn 191.1m 11.13 4.5bn 167.8m 2.18

540.8m 35.6m 1.14 34.7m 1.11

Continued on Page 39

February 12, 1986

10 Cannon Street, London ECAP 4BY
Tel. 248 8000
Dates of Financial Times Surveys are subject to
change at the discretion of the Editor

INTERNATIONAL CAPITAL MARKETS

The Financial Times is proposing to publish a Survey on the

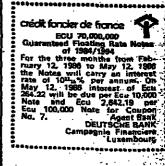
INTERNATIONAL CAPITAL MARKETS

on Monday, 17 March 1986 For further details and advertisement rates

please contact:

Nigel Pullman

Financial Times, Bracken House,





Altos Hornos de México, S.A. U.S.\$100,000,000 Floating Rate Notes due 1987

hereby given that for the six months from 13th February 1986 to 13th August 1986, the Notes will carry an interest rate of 8% per amount. The interest payable on each U.S.\$10,000 Note on the relevant ent date, 13th Angost 1986, against Coupon No. 9 will





WELLCOME PLC Last night's closing price: 149-152p CABLE & WIRELESS

ASDA MEI RP
ALIKED LYONS B. TELFCOM
BECC
CADBLEY SCH.
COURTAILES
PRICE CIPCLE
BELCHAMS
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MARKET MAKERS

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## Bonn uses intermediary for zero-coupon deal

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NKr 2bi

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155

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THE WEST GERMAN Government is indirectly tapping the international capital markets for the first time through a EuroDM 1.44bn zero-coupon bond issue. But the borrowing is being done in a roundabout way and the issue is in the name of a Channel Islands-tased company owned by a charitable trust. The issue enables the government to horfor the first time through a Euro-DM 1.42ba zero-coupon bond issue. But the borrowing is being done in a roundabout way and the issue is in the name of a Channel Islands-tased company owned by a charitable trust. The issue enables the government to borrow for a longer maturity, 30 years, than is possible in the domestic market, and at cheaper rates.

cheaper rates.
Commerzbank, book-runner on the issue, and Salomon Brothers, co-lead manager, have devised a structure similar to the stripped Treasury bonds now familiar in the US market which Salomon pioneered. The German state-owned Post Office

investors. After that interest payments are packaged together in lots of five to produce a 15-year, a 20-year and a 25-year zero-coupon issue, each with a nominal amount of DM 211,76m. The last coupons and the schuldschein principal form a 30-year issue with a redemption value of \$800m.

The all-in cost to the German

cent.
All the tranches offered pub-

Commissions were set at 23 per cent of the cash value of

Although investors were attracted by the effective West German state guarantee, there is a slightly added risk because value of \$800m.

The all-in cost to the German

Post Office is under the current

10-year borrowing rate of 62 per
cent.

Table Treeding Company

of the intermediary company

is, however, a

single purpose body which has

no function other than this

issue. Even so the 30-year issue is issuing a 30-year schuld-schein bond paying normal coupons to the company, called Euro-DM Securities. In turn longest proving most popular, the company is repackaging The 15-year tranche has an issue. Even so the 30-year issue.

## Record net earnings for CSFB

BY OUR EUROMARKETS CORRESPONDENT

CONSOLIDATED assets of tinuing developing country debt the primary market became Financiere Credit Suisse-First crisis made some bank paper more competitive.

Boston (CSFB), the market less marketable, and other Much steeper earnings fender in Eurobond issuing, funds they need to bolster their growth came from investment dropped in 1985, largely due to capital possition.

SFr 4.8bn from SwFr 4.6bn in a marked reversal of the trend

equity is also up sharply to December 31. SwFr 694m from SwFr 485m. Last year Mr Jack Hennessey, executive board chairman, said the drop in balance sheet total reflected 37 per cent over the previous a smaller inventory of floating year, though earnings from its

primary market means that to win mandates it sometimes has to be prepared to take t in 1984 which saw the balance to be prepared to take large sheet nearly treble from accounts of paper onto its books.

SwFr 1.78bn.

As a result its excellance to be prepared to take large accounts of paper onto its books. As a result, its total balance sheet fluctuates heavily from Once again the group has resheet fluctuates heavily from ported record earnings; net day to day and in 1985 it income rose to SwFr 188m peaked temporarily at about from SwFr 140m. Shareholders twice the amount posted for

leader in Eurobond issuing, dropped in 1985, largely due to a slowdown in floating-rate note and certificate of deposit business towards the end of the year.

The lassets alipped to make the end of the year.

The lassets alipped to widual issues, competition in the group averaged more than \$2bn last year, almost double its 1984

Mr Hennessy expects primary market business volume to in-crease this year, but "it is very difficult for anyone to maintain a market share of the proportions we have.'

CSFB is also taking a conser-December 31.

Last year CSFB led 113 market and has not disclosed syndicated securities issues in the volume of its swap busithe Euromarket an increase of ness in 1985 which for the 37 per cent over the previous previous year totallied \$11bn. a smaller inventory of floating rate notes and curtificates of deposit. The business contracted partly because the convention of the contracted partly because the conventions of the previous previous year totalined \$11bm.

Financiere Credit Suisse-First Boston is paying a dividend of SFr 130 a share for 1985, up from SFr 110 for 1984.

#### FT INTERNATIONAL BOND SERVICE

Listed are the 200 latest international bonds for which there is an adequate secondary market.

| US DOLLAR   |                        | Change on   |  |
|---|------------------------|---|--|
| STRAIGHTS   | 100                    | 5id Offer day week Yield<br>1042 1043 +03 +03 9.45  |  |
| Amex Credit 10's 90   | 100                    | 106 106- +0- +0- 9.02   |  |
| Atlan. Richfield 104 00<br>Austrelia Com. 11 95.<br>Australia Com. 114 00                           | 250                    | 106 106 + 04 + 04 9.02<br>1004 1014 + 04 - 05 10.09   |  |
| Austrella Com. 11 95  | 200                    | 1094 1104 +04 +04 9.35<br>1114 112 +04 +1 9.88  |  |
| Australia Com. 114 00   | 100                    | 1114 112 +04 +1 9.89  |  |
| BP Capital 112 92<br>Campbell Soup 102 95   | 150<br>100             | 1064 1074 +04 8 9.55  |  |
| Canada 114 90   |                        | 1077, 108 + 04 + 04 9.23<br>1094, 1094, 0 - 04 8.66<br>1044, 1064, + 04 + 05 9.76                           |  |
| Ceneda 11 <sup>1</sup> 2 90   | 500<br>100             | 1043 1063 +03 +03 9.76  |  |
|   | 75                     |   |  |
| CEPME 10's 91   | 100                    | 1047, 1047, +01, +01, 8.07<br>1067, 1067, +01, +01, 10.28<br>1021, 1031, +01, +02, 8.64                     |  |
| Chierry 10 29   | 900°                   | 1004 1004 + 04 + 04 10-28   |  |
| Citicorp 104 95   | 200<br>200             |   |  |
| Coce Cole 113: 91   | 700                    | 107-2 106 0 -0-2 9.86   |  |
| Denmark Kodm. 114, 89<br>Denmark Kodm. 114, 90  | 100                    | 107-108 0 -0-2 9.86<br>106-106-2 +0-1 +0-1 8.94<br>107-1 108-2 +0-1 +0-1 9.14<br>108-1 108-2 +0-2 +0-3 9.41 |  |
| Denmark Kgdm. 113 20  | 700                    | 107, 108, +0, +0, 9.14  |  |
| Denmark Kgdm. 114 92  | 100<br>225             | 108% 108% +0% +0% 9.41<br>102% 103% +0% +0% 9.49  |  |
| EDF 10 95   | 350                    | 102% 103% +0% +0% 9.49<br>102% 102% +0% +0% 8.90  |  |
| EIR 10% 94  | 200                    | 1021, 1021, +01, +02, 8.90<br>1041, 1051, +01, +02, 9.39<br>1147, 1147, +01, +01, 9.53                      |  |
| EIB 12 95,  | 200                    | 1147, 1147, +04, +04, 9.53  |  |
| Eli Lilly 104 92  | 160                    | 706% 706% + 0% + 0% 6.8?  |  |
| Equit. Led. Rity. 104 97  | 100<br>100             | 102% 103% +0% +1% 10.05<br>104 104% +0% 0 8.75  |  |
| Export Dev. Cpn. 10 90<br>Fed. Dep. Sus. 104 95<br>Ford Motor Crd. 104 91<br>Ford Motor Crd. 114 90 | 100                    | 104 1044 +04 +05 9.41   |  |
| Ford Motor Crd. 103- 91   | 150                    | 4002 104L 10L 10L 9 E1  |  |
| Ford Motor Crd. 114 90  | 100                    | 105 106 0 -0 9.54   |  |
| Ford Motor Crd. 12 95   | 100                    | 105-106-0 -0-3 8.54<br>109-110 +0-10-10.29<br>104 104-10-10-10-3 9.88<br>104-104-10-10-3 8.65               |  |
| Gen. El. Cred. 104 00   | 200<br>200             | 104 104° +04 +04 3.86   |  |
| Ford Motor Crd. 12 95<br>Gen. El. Cred. 10% 00<br>GMAC 10% 88                                       | 250<br>250             | 1031, 1041, +01, +01, 9.40  |  |
| IADB 97, 95   | 200                    | 102L 102L +DL +DL 9.48  |  |
| IADB 10's 95  | 150                    | 1067, 107 +5% +5% 9.38  |  |
| Kellogg Co. 107 90<br>Kellogg Co. 114 92  | 100                    | 105 2 108 +0 2 +0 3 9.08  |  |
| Kellogg Co. 174 82  | 100                    | 107% 107% +0% +0% 9.50<br>115 116% +0% +0% 9.28   |  |
| LTCB 127, 91  | 150                    | 1064 1064 +04 +04 9.57  |  |
| Pilisbury Co. 104 93<br>Proct. & G. 'A' 9's 92<br>Pru Reekty S. 124 95                              | 100                    | 1024 1034 +04 +04 8.68  |  |
| Proct. & G. 'A' 9's 92  | 150                    | 1024 1034 +04 +04 9.68<br>1024 1024 +04 +04 9.34  |  |
| Pru Resity S. 123 95  | 546                    | 112 1122 +03 +03 9.98   |  |
| CARRES ALIMANYS TUN 33  | 140<br>100             | 106% 106% +0% +0% 9.37<br>106% 106% +0% +0% 9.64  |  |
| Quebec Hydro 114 92   | 100                    | 1041 1047 +04 +05 9.47  |  |
| Queensid, Gvt. 104 95<br>Raiston Purina 113 95  | 150<br>100             | 1103 1103 +04 +03 9.96  |  |
| Sasketchewan 10% 92<br>Sasketchewan 11% 89  | 100                    | 104, 104, +05 +05 9.47<br>110, 110, +04 +05 9.95<br>105, 107, +04 +05 9.18                                  |  |
| Saskatchewan 117, 89  | 100                    | 1709°s 170°s + 0°s + 0°s 8.85   |  |
| Scandinavia Air 104 96  | 150<br>170             | 1024, 1024, 0 -04, 9.71   |  |
| Statoil 10 90   | 168                    | 1033, 1044, +05, +05, 8.85<br>1084, 1094, +04, +04, 8.07  |  |
| Swed, Exp. Cred. 10 92  | 100                    | 104 104 +04 +05 9.05  |  |
|   | 100                    | 108°, 109°, +0°, +0°, 9.51  |  |
| Sweden 101, 92  | 250                    | 104% 105% -0% +0% 9.20<br>106% 106% +0% +0% 2.82  |  |
| Sweden Kgdm. 10's 90  | 200<br>- 200           | 105% 105% +0% +0% #.52<br>105% 105% +0% +0% 8.79  |  |
| Sweden 104 92<br>Sweden Kodm. 105 90<br>Sweden Kodm. 114 89<br>Sweden Kodm. 114 94                  | 70P.                   | 100's 100's +0's +0's 8.52<br>108's 108's +0's +0's 8.79<br>110's 111's +0's +0's 9.80                      |  |
| Tenneco Con. 10% 95   | 150                    | 104% 105% +0% +0% 9.87  |  |
| Utd. Tech. Fin. 10% 95<br>Victorien Rep. 11% 92   | . 100                  | 105% 105% +0% +1 9.71   |  |
| Victorian Rep. 114, 92  | 150<br>300             | 1094, 110 +04 +04 9.45<br>1064, 1064 +04 +04 9.23   |  |
| World Bank 10's 95<br>World Bank 12's 94  | 300<br>200             | 1184 1184 +04 +05 9.50  |  |
|   |                        |   |  |
| Westide buce opeut  | 198 <sub>1 m</sub> . C | )n day +0% on week +0%  |  |
| DEUTSCHE MARK   |                        | Change on   |  |

YEN STRAIGHTS Issued Allied-Signal 64, 93 ... 20 99.00 0 8.58 Calaze Nat. Tel. 64, 92 25 50.00 99.00 0 8.58 Ford Motor Crd, 64, 91 20 594, 994, 0 +04, 8,90 Mt. 8k, Denmark 7 92 10 1012, 1224, 404, 405, 6.50 Transamer. Fin. 64, 91 10 985, 395, 0 -04, 8,90

Warre Disney or 3 Section 53
Honda WW 37, 90 FL... 100
Honda XW 37, 90 FL... 100
Thyasan 72, 90 FL... 50
Wereldheve 71, 90 FL... 50
Wereldheve 71, 90 FF... 50
Wereldheve 71, 90 FF. 250
Amev 11 93 E... 50
Australia Com. 11 92 £ 40
EIB 111, 93 £ ... 60
GMAC UK F. 101, 90 £ 30
Imp. Ch. Ind. 111, 95 £ 75
Imp. Ch. Ind. 111, 95 £ 75
Imp. Ch. Ind. 101, 92 £ 60
McDonalda 107, 90 £ 60
NSW Treasy. 105, 92 £ 60
Royal Ind. 104, 82 £ ... 60
Royal Ind. 104, 82 £ ... 60
J. Sainsbury 107, 93 £ ... 60
Tricentrol XW 11 92 £ ... 80
Tricentrol XW 11 92 £ ... 80
Tricentrol XW 11 92 £ ... 60
COE 87, 95 LFF ... 600
N. Lux. Al. 107, 92 LFr 600
FLOATING RATE 

billions. Change on wesk=Change over price a week earlier.
Floating Rata Notas: Denominated in dollars unless otherwise Indicated. Coupon shows is minimum. C.4ts=Dete next coupon becomes effective. Spread =Margin above six-month offered rate (4 three-month; § shows man rate) for US dollars. C.cpn=The current coupon: Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem =Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

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#### £200m facility for Abbey **National**

THE Abbey National Building THE Abbey National Building Society has launched a £200m, five-year revolving credit facility in the Euromarkets, believed to be the largest such deal by a British building society to date.

The mandate for the deal, which will carry an interest margin of 1 per cent over

margin of 1 per cent over London interbank offered rates, has gone to Mitsui Bank, confirming the aggressive stance now being taken by Japanese institutions over business in

Britain. Mr Clive James, National assistant general mana-ger, said yesterday the facility had been "structured to leng-then the term of the Abbey's liabilities and broasen the society's involvement in the wholesale funding markets."

The deal is Abbey's second major extrowing in the Euro-markets. It has already arranged a £250m floating-rate note of which £100m is being

held as a tap stock. This time, the terms available in the credit market were better than those available on floating-rate notes, Mr James said.
The credit will be trans-

ferable, which means it can be sold on in the secondary market. It will also become a badly, do they?" revolving deal after one year. Bankers said Abbey will pay no commitment fee at all if it is more than 50 per cent drawn and a commitment fee of #2 per cent if lesser amounts are

Mitsul Bank will be agent on the deal. Other underwriters are Credit Lyonnais, Deutsche Bank, Lloyds Merchant Bank and Mitsubishi Bank.

Bankers said that both the margin and the commitment fee structure on the credit were very fine, aithough they reflect the fact that foreign banks continue to be hungry for sterling assets. Building societies are relative newcomers to the market, which gives them rarity value.

National. intends to draw the credit fully within 18 months, has also taken the precaution of ensur-ing that the deal is fully under-written before unveiling the

#### Liffe ahead of schedule

By Our Euromarkets staff. ....

Change on Change on Change on Brid Offer day week Yield Barclays Au. 12% 90 A\$ 50 92% 83% 0 +0% 14.71 Creditemetal 12% 90 A\$ 50 92% 83% 0 +0% 14.71 Creditemetal 12% 90 A\$ 50 97% 39% -0% -0% 13.25 Pepsico C. R. 13 90 A\$ 50 99% 100% 0 0 12.87 Swed. Ex. Cr. 13 88 A\$ 40 97% 99% 0 -0% 13.29 Amed 10% 90 C\$ 75 101 101; 101, 0 -0% 13.29 Clace 10% 90 C\$ 75 100 100% 0 +0% 10.88 Genstar Fin. 11% 95 C\$ 75 100% 100% 0 +0% 10.88 Genstar Fin. 11% 95 C\$ 75 100% 100% 0 +0% 10.89 Sears Acc, 10% 82 C\$ ... 75 100% 100% 0 -0% 10.49 Coos-Cols F. 17, 90 N\$ 75 104 105 0 +1% 15.45 Nordic i. Bk. 18 88 N\$ 70 99% 100% 0 +0% 16.91 Nordic i. Bk. 18 88 N\$ 70 99% 100% 0 +0% 16.91 S10 Copnign. C. 9 95 Ecu 40 89 99% 0 +0% 18.22 THE LONDON International Financial Futures Exchange (Liffe) has set March 13 as the start-up date for options on both its US Treasury bond and long gilt futures contracts, thus completing its first-half 1986 programme of new contracts slightly ahead of schedule. Both are similar to the both are similar to the successful options on Treasury bond futures traded on the Chicago Board of Trade. Liffe launched options on D-Mark futures last month to add to its sterling and Eurodollar options

#### DOMESTIC BOND MARKETS

introduced last year.

#### Concern over yen's rise

YEN BONDS were sold in Tokyo yesterday, reflecting investor concern over the yen's rapid rise against the US dollar. Institutional investors remained on the sidelines, writes Shigeo Nishiwaki of Jiji Press.

The yield on the bellwether Nishiwaki of Jiji Fress.
The yield on the bellwether
6.2 per cent government bond
due in July 1995 rose from
5.585 per cent to 5.620 per cent.

Firmer bias

in Frankfurt IN FRANKFURT bonds ended moderately active bourse trad-ing mixed but with a firmer bias, as foreign and domestic investors opened fresh posi-

tions.

The long end saw gains of between 20 pfennigs and losses of 10 pfennigs. Short maturities rose or dropped by around

DM 110.4m of domestic paper after selling DM 3.7m on Wednesday.

#### Second offer of French T-bills

The French Treasury will offer for tender next Tuesday FFr 5bn of negotiable Treasury

bills.

The tender, the second under the new regular Treasury bill calendar announced last month, will be of FFr 2.5bn each of 18-and 26-week fixed-rate bills. At and 25-week fixed-rate offis. At the first tender last week, the Bank of France sold a total of FFr 6.47bn of 13-. 26- and 52-week negotiable T-bills on an initial offer af FFr 2bn per category. Demand totalled FFr 15.39bn.

Canton of Zurich

The Canton of Zurich is issuing a Swiss franc maximum 12-year domestic bond of around SFr 150m with a 41 per cent coupon, Lead manager is Zurich Cantonal Bank. The issue price will be fixed by auction. The band will be on sale until

## Five Eurodollar straights issued

yesterday on news of weaker than expected US retail sales

than expected US retail sales figures.

Credit Suisse First Boston stirred up some controversy early in the day when it raised the price for a \$100m issue for the price currently look-colgate-Palmolive to 100\footnote{1000} per ing for more volatile issues for the investors were currently look-colgate-Palmolive to 100\footnote{1000} per ing for more volatile issues for the issue would limit the extent to which it would be actively traded.

Viewed as more aggressively priced were a \$150m deal for Unilever Capital Corp and a

gave a 61 point spread.

Such a move is unusual, though by no means unprecedented. Some issue managers were furious, though no banks took up CSFB's offer to buy back the bonds they had committed to buy.
Mr Joan Beck, a CSFB exe-

cutive director, argued that the enthusiastic response to the original terms, including two particularly large orders, meant that "I owed it to the borrower to make a small adjustment. It's not something that we want

Some co-managers were unruffied, saying they could still expect to make a handsome profit even on the adjusted terms. But one banker com-

Also meeting a strong response, particularly from the Far East, was a \$102m 20-year issue for Austria, understood to be intended for a swap with a Generale Occidentale, the this spread in the secondary services of the secondary market, many are not very

S. G. Warburg is bookrunner a novel issue in which the in-

FIVE DOLLAR straight Eurobonds totalling just over \$600m at 100½. It said a bulge in the were launched yesterday as the market took advantage of overnight advances in the US credit markets, which were extended yesterday on news of weaker a low 22 basis point spread over them contacted. US weeker as low 22 basis point spread over them contacted. The province at launch The contacted the province at launch the contacted t Treasuries at launch. The mar-ket liked the rare 20-year issue

priced were a \$150m deal for Unilever Capital Corp and a \$100m issue for Sterling Drug, both launched at no spread over Treasuries. Morgan Guaranty led Unilever's 12-year 84 per cent, par-priced deal, while Morgan Stanley International brought Sterling's 10-year 84 per cent issue priced year, 81 per cent issue priced

year, of per cent.

Managers quoted the two
issues at the fees, though prices
outside were seen during the day, particularly for Unilever.

#### Cautious response

Ireland made its first fixedrate dollar issue since 1981.
Though sovereign issuers are currently seen as more acceptable in the market, it met a somewhat cautious response when launched by CSFB. The \$150m 10-year non-callable deal has a 9½ per cent coupon and 100½ price, giving a spread of 57 basis points over US Treasuries.

pected shortly from Goodyear manufacturing group headed by active Tire and Rubber. Sir James Goldsmith, is making said.

either as a convertible or as a bond with equity warrants. It was well received. Led by Banque Paribas Capital Markets, the \$80m issue

is for seven years, with par pricing and a coupon expected to be 61 or 61 per cent, with an to be 61 or 61 per cent, with an exercise premium of about 10 per cent above the closing Paris share price next Monday. It is callable after one year. Each \$1,000 bond entitles the buyer to a five-year warrant which may be exercised either in cash, thus holding on to the bond, or through surrender of the bond at par.

at par. Fairmont Financial, a US insurance company, is making a \$20m 15-year convertible issue with an expected 7 to 71

issue with an expected 7 to 71 per cent coupon, 16 to 20 per cent conversion premium, led by Kidder Peabody.

General Motors Acceptance Corp's UK financing subsidiary reopened the fixed-rate Eurosterling bond market, closed since the beginning of the year amid Britain's exchange rate, oil price and political uncertainties.

The £50m five-year issue was The £50m live-year issue was priced by Hambros Bank at 100½ per cent with an 11 per cent coupon, to yield 31 basis points below the equivalent UK gilt-edged. The manager said retail demand has begun to re-emerge in this market after the period of interest rate uncertainty, particularly for US corporate names, but the marcorporate names, but the mar-ket viewed the pricing as fairly tight. Though some corporate names are quoted well below actively traded, some bankers

In the Australian dollar mar-

vestor has the additional fieribility of being able to treat it launched an A\$50m issue for the group's Australasian unit, Lloyds Bank NZA, to fund its business there. The three-year bond has a 14j per cent coupon and is priced at 100j per cent. Later in the day, Morgan Stanley brought an A\$65m five-year issue for Norsk Hydro, with a 14 per cent coupon and 101

#### Coupon cuts

Swedegas, with a state guarantee via the Swedish power authority, is making a SKr 200m Eurobond issue led by Svenska International. The five-year non-callable issue has a 91 per cent coupon with a 1001 price, and was well re-

In Switzerland a Dutch finan-cing subsidiary of British Petroleum launched a SFr 99m issue led by Union Bank of Switzerland, with the proceeds being swapped into dollars. It has a 41 per cent coupon, sevenyear life and 1001 price.

Mitsui Bank's Swiss franc and dollar convertibles were both priced with coupon cuts. The priced with coupon cuts. The \$100m issue was assigned a 21 per cent coupon, down from 23, and 4.51 per cent conversion premium, and the SFr 100m deal has a 17 per cent coupon, down from 2, with the same

Two other borrowers also en joyed coupon cuts, with that for Thomson Brandt's SFr 100m deal falling from 41 per cent to 41, and for Toko's SFr 70m issue from 22 to 23. Elsewhere, the Swiss market

was unchanged to slightly higher, while in West Germany prices generally edged higher, though a lower equity market

## Christiania Bank launches 'bull' floater

CHRIST'ANIA BANK reversed deal called a yield curve note, the usual logic of a floating-was launched in the New York atte note issue yesterday when it launched a new type of floater Loan. Marketing Association with an interest rate that goes (Sallie Mae), by Morgan Stangup when other rates are falling and vice versa. Merrill Lynch led the \$100m five-year issue because it is attractive to those and opponents. It is clearly an attractive instrument at times investors may be prepared to first coupon was set at 9 per cent. The first coupon was set at 9 per cent, around a point above the rate that a normal floater would currently pay. If Libor falls, the floater's coupon will rise. Bankers expected it to appeal to more speculative instrument but are not permitted to hold long-dated stocks.

who expect rates to fall. The attractive instrument at times investors may be prepared to borrower ends up with normal when interest rates are falling accept that risk, particularly as could also buy it to hedge their below Libor through a series of the coupon is set half-yearly life.

The issue may not prove coupon dates and so produce a

similar \$250m five-year bank offered rate (Libor) from liquid and it was not trading synthetic fixed-rate issue.

February, 1986

All these securities having been sold, this announcement appears as a matter of record only.

## TATEHO CHEMICAL INDUSTRIES CO., LTD.

(Tateho Kagaku Kogyo Kabushiki Kaisha) (Incorporated with limited liability in Japan)

U.S.\$30,000,000

4% PER CENT. GUARANTEED NOTES DUE 1991 WITH WARRANTS TO SUBSCRIBE FOR SHARES OF COMMON STOCK OF TATEHO CHEMICAL INDUSTRIES CO., LTD.

unconditionally guaranteed as to payment of principal and interest by

The Taiyo Kobe Bank, Limited

ISSUE PRICE 100 PER CENT.

The Nikko Securities Co., (Europe) Ltd.

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**Banque Paribas Capital Markets Limited** Bayerische Vereinsbank Aktiengesellschaft Daiwa Europe Limited Merrill Lynch Capital Markets Sanwa International Limited

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pini yalar

#### All of these Securities have been sold. This announcement appears as a matter of record only.

## \$500,000,000

## Commonwealth of Australia

\$200,000,000 9<sup>1</sup>/<sub>4</sub>% Bonds Due August 1, 1996 \$300,000,000 95% Bonds Due February 1, 2006

Interest payable February 1 and August 1:

· MORGAN STANLEY & CO.

THE FIRST BOSTON CORPORATION

MERRILL LYNCH CAPITAL MARKETS

SALOMON BROTHERS INC

GOLDMAN, SACHS & CO. BEAR, STEARNS & CO. INC. DAIWA SECURITIES AMERICA INC. DEUTSCHE BANK CAPITAL DILLON, READ & CO. INC. DREXEL BURNHAM LAMBERT DONALDSON, LUFKIN & JENRETTE THE NIKKO SECURITIES CO. KIDDER, PEABODY & CO. LAZARD FRERES & CO. E. F. HUTTON & COMPANY INC. *PAINEWEBBER* PRUDENTIAL-BACHE NOMURA SECURITIES INTERNATIONAL, INC. SMITH BARNEY, HARRIS UPHAM & CO. L. F. ROTHSCHILD. UNTERBERG, TOWBIN, INC. SWISS BANK CORPORATION INTERNATIONAL SECURITIES INC. UBS SECURITIES INC. S. G. WARBURG & CO. LTD. YAMAICHI INTERNATIONAL (AMERICA), INC. R'ERTHEIM & CO., INC. DEAN WITTER REYNOLDS INC. EUROPARTNERS SECURITIES CORPORATION ABD SECURITIES CORPORATION

KLEINWORT, BENSON ROTHSCHILD INC SOGEN SECURITIES CORPORATION

> *BANQCE NATIONALE DE PARIS* ANZ MERCHANT BANK COMMONWEALTH BANK OF AUSTRALIA CAISSE DES DEPOTS ET CONSIGNATIONS

BARING BROTHERS & CO., COUNTY BANK ORD MINNETT

ALGEMENE BANK NEDERLAND N.V.

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February 1986

NEW ISSUE

February 6, 1986

OCIÈTÉ EUROPÉENNE POUR LE FINANCEMENT DE MATÉRIEL FERROVIAIRE

Japanese Yen 20,000,000,000 6% per cent. Bonds due 1993

ISSUE PRICE 1011/4 PER CENT.

The Nikko Securities Co., (Europe) Ltd.

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Algemene Bank Nederland N.V. **Banque Paribas Capital Markets Limited Credit Suisse First Boston Limited** Deutsche Bank Capital Markets Limited Fuji International Finance Limited IBJ International Limited **Kredietbank International Group** LTCB International Limited Mitsubishi Finance International Limited Morgan Stanley International **Nomura International Limited** 

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## **Daiwa Europe Limited**

is pleased to announce the following expansion of their US\$ Secondary Market Making Sector

#### **Eurodollar Straight Bond Issues**

Secondary Market Trading Department — 01-248 1515-(40 Lines)

Manager—Trading

John Ballhatchet

All Japanese Issues & "Sushi" Bonds

John Ballhatchet

Supranational & Sovereign Names

Don Whiteford Nick Davies

Stephen Pope

## INTL. COMPANIES & FINANCE

## Foreign banks thrive in Pakistan

which the results have just been computed, show that foreign banks offered 8 per cent to 12

in the profit of the business but no rate is announced beforehand as that is forbidden in Islam.

The first six months, for Shanghai Bank, European Asian Bank and Bank of Oman 9.9 per cent, while Hongkong and Shanghai Bank, European Asian Bank and Bank and Tokyo

FOREIGN BANKS in Pakistan have show better results under their newly adopted interest-free banking system, compared with their local counterparts for the second half of last year.

The foreign banks were asked to interest-free banking from last July, as part of Pakistan's move to run the economy on Islamic principles. The Pakistani banks have been operating the systems simultaneously since July are allowed as a shade lower than their own performance and profit for the first six months of 1985, when distributions were 75 per cent of 1985, when distribution

1981. Among the foreign institu-Under the interest-free system tions, Middle East Bank de-depositors are allowed a share clared the highest rate of 12 Shanghai Bank European Asian Bank and Bank of Tokyo all declared 9.4 per cent profit distribution. The BCCI is offer-

ing 9.3 per cent. Chartered 8.4

trade business. They have a total of 52 branches in Pakistan, which have 10 per cent of all

deposits.
The Pakistani banks, on the other hand, have poor produc-tivity and excessive overheads and staking. They also have to operate more than 6,650 branches, a number in remote

FOREIGN BANKS in Pakistan the period. The period. The period with this, the five banking system, compared with this, the five banking system, compared with their local counterparts for the second half of last year.

The foreign banks were asked to change the interest-based of change the interest-based of the pakistan ranging from the period. The foreign banks were asked to change the interest-based of the profit of the period. The foreign banks were asked to change the interest-based of the profit of the period. The foreign banks were asked to change the interest-based of the profit of the period. The period of the period of the profit of the foreign banks with very little thanks. The period of the period o

the nationalised penas.

He added that concessionary loans and public services in various forms costs the nationalised banks an annual Pre 690m.

(\$37.5m), which eats into the (\$37.5m), which eats into the distributable profit.

The nationalised banks had interest-free banking deposits of Prs 34.2bn at June 30, 1685, and Dec 1.7hn an Mut-Cutable. and Prs 1.74bn as distributable profit. After the entire system was shifted to an Islamic limits in July, the deposits rose 135 per cent to stand at Prs 80.5ha by December 31. These deposits by December 31. Tuese deposits earned a total profit of Prs 3.151bn, which meant a lowering of the profit distribution rate to 7.8 per cent.

## Bleaker forecast from Fujitsu

FUJITSU, the leading Japanese maker of computers and semiconductors, yesterday forecast a 57.5 per cent plunge in pre-tax profits to around Y50bn (\$268m) in the year to March.

This represents a sharp downrevision of its previous £72bn earnings estimated, and has been necessitated by the collapse in world semiconductor prices as well as the yen's steep appreciation against the dollar.

Fujitsu's computer and data processing sector has fared well, However, semiconductor market prices have plummeted to be-tween a sixth and a ninth of

Anglo-Alpha hit

by sharp increase

REDUCED ACTIVITY in the building and construction in-dustries led to a fall in volume

sales of cement and stone last

Nevertheless, turnover

increased by 5.6 per cent to R326.4m (\$153.2m), assisted by

cement prices.

in finance costs

previous levels prevailing for 64 shipments of communications kilobit and 256K chips, in a equipment to China and the recession which has been more US.

prolonged than expected.

In addition, Fulitsu faces a large exchange loss in the second half because of its relatively low ratio of forward ex-change contracts, at around 20 per cent of export values com-pared with about 50 per cent for other chip makers. If the exchange rate remains at around Y185 to the dollar, a foreign exchange loss of about Y5bn could accrue.

Exports overall are estimated to fall by Y10m in the current half-year, reflecting stagnant

US.
Fujitsu's pre-tax profits are expected to be surpassed by those of Fanuc, in which Fujitsu has a 42.2 per cent stake and which is projecting full-year pre-tax profits of Y60hn.

Fujitsu's full-year sales are projected at Y1,460hn, down about £100hn from the initial forecast but above the Y1,292hn

achieved the previous year.
For the year which starts in
April, Fujitsu expects a recovery in pre-tax profits to Y70bn
on sales of Y1,700bn.

## **BTR South Africa upset** by recession and disputes

BY JIM JONES IN JOHANNESBURG severe labour relations problems combined sharply to reduce sales and profits of BTR South Africa, the local offshoot of BTR of the UK, in the year to December 27.

sales of cement and stone last year by Anglo-Alpha, South Africa's third largest cement company, writes Jim Jones in Sales fell by almost a fifth to R96.8m (\$45.5m) from R120.6m and profits before interest and tax was 36 per cent lower at

increased sales in the company's R11m.
industrial division and higher The directors say that recession, high inflation, a deteriorat-ing foreign exchange rate for Even so pre-tax profits plunged to R44.7m from R78.3m the rand and high interest rates combined to curb sales and as financing costs almost quad-rupled to R39.4m from R10.2m profits. Sales were also affected as the interest charge on a R300m Ulco plant expansion was by a boycott organised by union's involved in a protracted industrial dispute at BTR's

Earnings dropped to 123.8 cents a share from 144.5 cents Sarmcol plant. A new workforce was Industry surveys indicate that lower interest rates and economic recovery will lead to an increase in construction This diminished as the year

DEEPENING recession and restored to normal levels by the year's end.

year's end.

Net earnings fell to 40.6 cents a share from 55.1 cents and the total dividend has been cut to 27 cents from 35 cents.

Dunlop South Africa, which is merging with BTR in line with the takeover of its parent, increased its turnover to increased its turnover to R224.6m in 1985 from R216.9m.

Its trading profits rose to R28.3m from R27.2m. Dunlop SA has been affected industry and, to an extent, by reduced consumer spending. Its earnings were 100 cents a share against 96 cents and the dividend has been maintained at 75 cents.

BTR is 62 per cent owned and Dunlop 51 per cent owned by the respective British groups. The merger of the two South African companies will economic recovery will lead to first half's trading performance. be made retrospective to an increase in construction This diminished as the year January 1 and, in contrast to industry activity but the directory progressed and the directors say the UK position, the Dunlop

#### Hooker stays on target with iump of 49%

HOOKER CORPORATION, the Australian housing and property group, achieved a 49 per cent increase in instearnings to A\$26m (US\$17.5m) for the half-(US\$17.5m) for the half-year to December, fulfilling the forecast made last year as it unsuccessfully fought a partial takeover.

Mr George Hersed, the new Mr George Hersed, the new controlling shareholder, who paid almost A\$200m for a 44 per cent stake late last year, said yesterday it was expected that the full-year profit of A\$50m—up from A\$34.8m—forecast by the previous board would be attained.

would be attained.

Hooker's growing US housing interests were a major factor in the interim prefit increase. The US operation, sold 684 homes in the half-year, up 88 per cent, while the Australian division sales fell from 628 to 540 homes. Overall the housing group's return was up 51 per cent to A\$8.7m before taking account of unapportioned overheads and interest.

and interest.
The retail, commercial and industrial projects division was another top performer with an increase from A\$7m to A\$13.9m before group overheads and interest. The total real estate operations was a real estate operations.

total real estate operations were up 23 per cent en this measure to A\$42m. Diversified activities, including retailing and share trading produced gross profits of A\$14.6m, up 53 per cent. Total group turnover was sheed 26 per cent to A\$335m, white pro-tax profits were 38 per cent higher at A\$35m. The dividend is increased from an adjusted 5 received. from an adjusted 5 cents to 6 cents on bonus increased capital, paid from cernings

## **Exchange rate boost for** Gefco and Msauli profits

GRIQUALAND EXPLORATION to an undislosed level, but turn-

GRIQUALAND EXPLORATION
(Gefco) and Msauli, South
Africa's two quoted asbestos
mining companies, increased
profits sharply in 1985 largely
because of the fall in the rand's
external value.

Gefco ,which produces crocidolite or blue asbestos at a
number of small mines in the
Northern Cape, suffered from
lower sales valumes prompted
partly by health fears. Production was reduced by 15 per cent

to an undislosed level, but turnover in money terms increased
to R137.2m from R118.5m. Pretax profits rese to R25.7m
(\$12.1m) from R14.4m.
Although world oversupply of
asbestos led to lower dollar
prices, the rand's decline helped
raise Msauli's turnover to
R32.2m from R22.3m. A pre-tax
profits rese to R25.7m
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prices, the rand's decline helped
raise Msauli's turnover to
aspect to R37.7m from R14.4m.

## **Austral Enterprises plans** large purchases of land BY WONG SULONG IN KUALA LUMPUR

AUSTRAL ENTERPRISES, the 58 per cent plantation sub-sidiary of Island and Peninsular (IandP), the Malaysian property

cently agreed to its takeover of Koh Foh Estate, belonging to landP, as well as agricultural lands in Pahang and Kedah (IandP), the Malaysian property group, is embarking on acquisitions that will substantially increase its acreage.

Currently, Austral has nearly 20,000 acres of estates, mainly under oil palm. The planned acquisitions will boost its area to over 76,000 acres.

Austral has told the Kuala Lumpur Stock Exchange that Malaysian authorities have re-

. 7

## The **Toronto Dominion Bank**

U.S. \$100,000,000 Floating Rate Debentures

February 1992

For the six months 14th February 1986 to 14th August 1986 the Debentures will carry an interest rate of 844% per annum. The relevant interest payment date will be 14th August 1986 and the amount of interest payable on each coupon will be U.S. \$414.79.

Midland Bank plc

NOTICE OF INTEREST PAYMEN SANDVIK AKTIEBOLAG 644 CONVERTIBLE BONDS COUPON DUE 15TH MARCH 1986

Notice is hereby given to the Coupen holders of the above mentioned issue that Coupen No. 9 will be payable on 18th March 1986 at USSS250 or DM141.35 subject to the terms and conditions

Far Sandvik aktiebolas Bank of America International S.A.

U.S. \$200,000,000 First Chicago Corporation

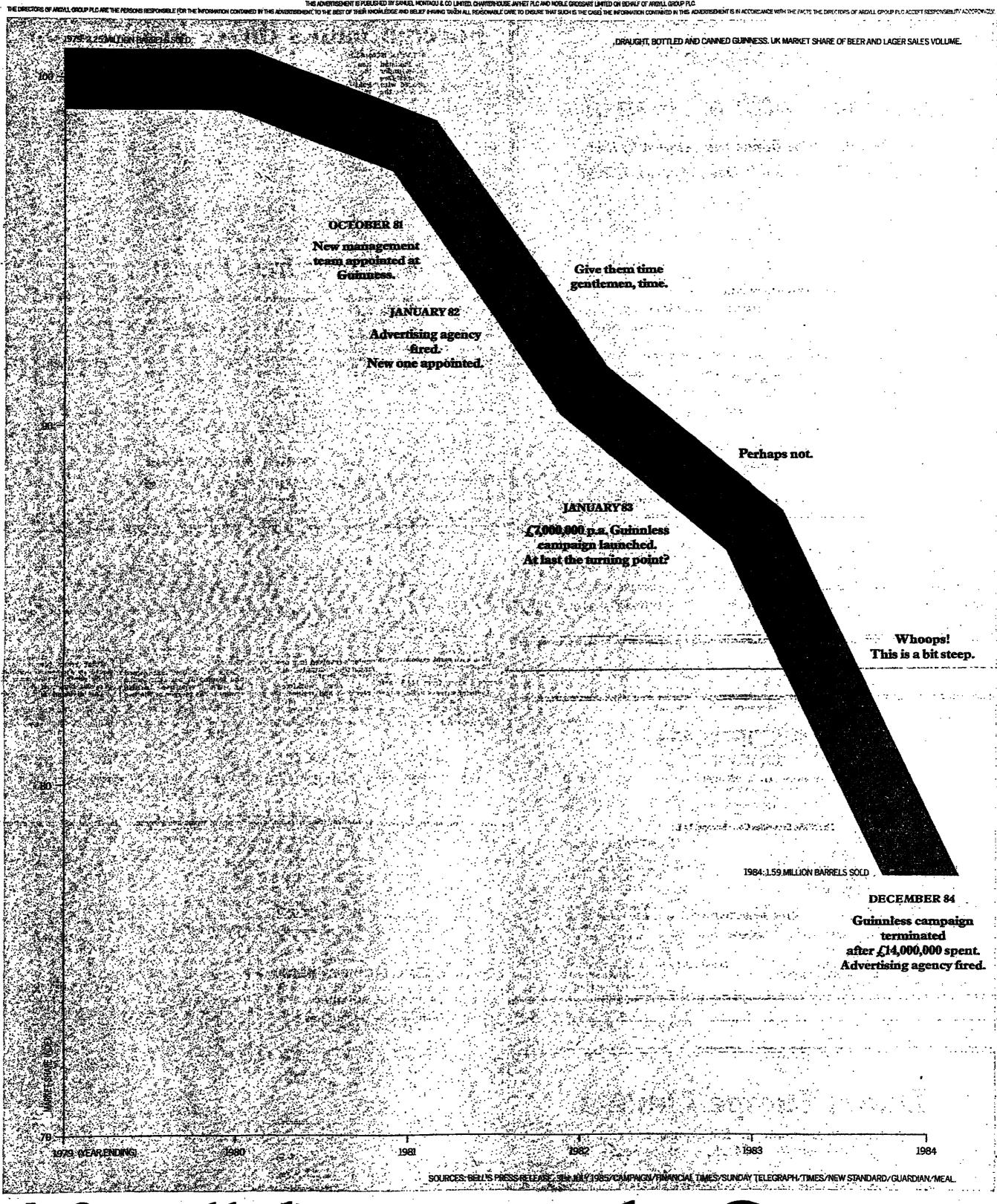
Floating Rate Subordinated Notes due 1992

in accordance with the provisions of the Notes notice is hereby given that the Rate of Interest for the next interest Period has been fixed at 8.1625% per annum. The Coupon Amount payable on the 19th May, 1986 will be

Manufacturers Hanover Limited Agent Bank

## **DAIWA EUROPE LIMITED**

JAPANESE EQUITY WARRANTS SERVICE



# After all this, no wonder Guinness management need a few Scotches. Argyll We can revive Distillers' spirits.

#### THE PROPERTY MARKET BY MICHAEL CASSELL

Salomon and the shape of things to come

## Retail yields rise as buyers rethink

the prime, retail property market may finally have burst is revealed today in figures which show that top shop yields have risen sharoly.

The rush into prime retail investments, which forced yields down to 3.5 per cent or below just how much longer shops should buck the trend, appears to be over. Investors are in-creasingly switching their attention to retail markets with more mileage left in them and prime values in traditionally popular locations are starting to suffer as a result.

The latest Hillier Parkerinvestors Chronicle calculations show that prime retail yields have moved out to 4 per cent against 3.5 per cent last August "one hell of a loss in value" according to Rod Grant at Hiller Park, who says the trend is far

"We are not in the business of starting any scare stories but the fundamental shift in retail the fundamental shift in retail investment patterns which we have been expecting for the last six months or more has arrived. Sentiment among investors is swinging heavily away from the major city locations towards smaller population centres with lower rental levels."

Grant believes there is more pects for continuing high spend-to come: "Over the next year, ing.

THE CLEAREST indication yet we expect to see prime yields that the investment bubble in reaching 4.5 per cent and higher, with returns from previously less popular towns standing at 5 per cent or lower. The gap between the two alternatives could almost disappear and 1986 should reveal just how much further this change has to go."

Hillier Parker's figures show that, with the days of the sub-4 per cent yield coming to an end, higher yields are working through everywhere, with the possible exception of central London. The increase has filtered through into average shop yields, which now stand just above the 5 per cent mark for the first time since 1982 and at their highest level since 1979.

Grant says that thec hange in sentiment means investors are keen to spend in cathedral and RATING authorities around the keen to spend in cathedral and university towns with a strong tourist appeal and in lower rented market towns. There is population growth, high per capita income and increasing penetration by the multiple traders. With Zone A rents running between £15-£30 a sq ft in small market towns, growth prospects look good.

RATING authorities around the country should be taking note show that the benefits which enticed companies to move to enterprise zones—including exemption from general rates and simplified planning procedures—had hit rents in the vicinity.

The case was brought by rates bill for anything up to 2,500 businesses located near the prospects look good.

In contrast, he believes, major cities are seeing a population decline, top rental values are already £100 a sq ft-plus and investors are becoming increas-ingly nervous about the pros-

leave before six at the earliest. There are no long lunches in this organisation, so the immediate surroundings are not all-

ing alongside London's Victoria
Plaza which is to be the investment bank's UK base.

The news that such a major player in the financial services industry is moving out of Angel Court in the City to the other

RATING authorities around the country should be taking note of a lands tribunal decision in control which has ruled that The decision could affect the rates bill for anything up to 2,500 businesses located near the

The decision could affect the rates bill for anything up to 2,500 businesses located near the corrupting a 250,000 sq ft factory cocupying a 250,000 sq ft factory cocupying a 250,000 sq ft factory sq located outside the lower saying that if they "all jumped saying that if they "all jumped to the council could be over £10m.

The decision could affect the rates bill for anything up to 2,500 businesses located near the cone and Mr John Butler, the City treasurer, is on record as saying that if they "all jumped on the bandwagon." then the eventual cost to the council could be over £10m.

The decision could affect the rates bill for anything up to 2,500 businesses located near the cone and Mr John Butler, the city treasurer, is on record as saying that if they "all jumped could be over £10m.

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munity to remain nestled comfortably and conveniently lishing the prototype of the post
around the Old Lady, Salomon Big-Bang corporate structure largest of its kind in Europe,
is heading for Victoria, from and, to do that, we need the where it plans to pursue its amright premises. The Bank of present, the bank employs

to be the flagship of its international activities and Mr ft of floorspace at £19.50 a sq Victoria's newest tenant is McVeigh shows no outward ft and will initially occupy keeping open at least one signs of having made a decision around 90,000 sq ft, expanding option, however. The space into the remaining accommodation, however. The space option into the remaining accommodation of worldwide capital integration of worldwide ca

side of the tracks has raised eyebrows all round the Square Mile but it may well be a sign of things to come.

In a decision which over
The tracks has raised ternative. Canary Wharf is still atria, the ban space available in or out of the 13,000 sq ft tracks has raised ternative. Canary Wharf is still atria, the ban space available in or out of the 13,000 sq ft tracks has raised eyebrows all round the some way off and there was no specified cost City for what we needed. But heart of a 55.0 we are totally confident that dealing area.

The Swansea case is proceed-ing to the Court of Appeal and

"MOST people are at their turns all the old theories about our business will be conducted desks by eight and, once they the need for the financial comart extremely well from here."

are at their desks, they don't munity to remain nestled comart McVeigh adds: "We are estab-Important."

bition of becoming the preCharles McVeigh, managing
director of Salomon Brothers,
this week held court at Victoria
Plaza, the glass-clad office buildPlaza, the glass-clad office buildPlaza the glass-clad office buildPlaza the glass-clad office buildPlaza the glass-clad office buildPlaza the glass-clad office buildVictoria complex developed by Greycost London, is other will follow suite."

Its new Victoria complex developed by Greycost London, is other will follow suite."

Only properly in England was sympathetic to our around 300 people in London but this could well double in modation which will enable us five years as it takes advantage of financial deregulation and the integration of worldwide capital.

signs of having made a decision he is going to regret.

He is clear why Salomon tion over the next five years. By filling in one of the Plaza's atria, the bank will—at an unspace available in or out of the City for what we needed. But the control of the control

proposal was served.

Standard Securities and London and Paris properties have, within days of acquir-ing the head leasehold interest in 3, Copthall

interest in 3, Copthall Avenue, City, let the building to Laing and Cruickshank, the

to Laing and Critickmank, the stockbrokers. Rent for a three-year lease on the 17,500 sq ft property is £465,000 a year. Jones Lang

Wootton and Henry Davies acted for the owners and Weatherall Green and Smith

represented the tenant.

subject to a break clause agree-ment operational for three years

from 1989. By then, not only Salomon's requirements but prospects for the new look, in-ternational financial community should be a lot clearer. Enterprise Zones "damage nearby rental values" if the ratepayers win, any reduc-tion will be backdated to the rate year in which the rating

• Cadbury Schweppes Pension Fund has sold its head leasehold interest in phase 11 of the Edmonton Green Shopping Centre in north London for £1.7m to Hampton Trust. Strutt & Parker and Browett Taylor advised the vendors and David Lewis acted for

started work on its £22m Pride Hill shopping centre in Shrewsbury, Funded by Royal Life, the project is due for completion in late 1987 and will comprise 25 shops and a 22,000 sq ft store to be occupied by C & A.

## London & Edinburgh in US bond issue

INVESTORS with \$5,000 to spare, an eye on US real estate and a penchant for privacy might want to take a look at what to take a look at what is on offer from Inter-national Mortgage Interests, a Guernsey-based investment vehicle just set up and wholly-owned by none other than Lon-don & Edinburgh Trust.

LET, one of the UK property sector's successful players and with a market capitalisation of around £100m, has established IMI to provide investors with a new and tax efficient alternative to direct property invest-ment in the US.

ment in the US.

IMI's mortgage-related bearer
bonds will be listed on the
Luxembourg Stock Exchange,
are designed to mature in 12
years and will provide completu
anonymity for the holder. Funds
raised by the bond issue will be
invested, via a Dutch-registered
sheidlary, in participating subsidiary, in participating mortgages secured on commercial properties selected by Landauer Advisors, the New York real estate specialists.

IMI will make mortgage loans IMI will make mortgage loans

— usually ranging from \$3m to

\$7m a time — at a fixed interest
rate below prevailing US
market rates and, in return,
each borrower will hand over a
pre-determined share of the
increases in net rental income
and capital value of each property over the life of the
mortgage loan.

The bonds available in multi-

ples of \$5,000, will yield a fixed 8 per cent per annum and, in addition, all profits arising out of increased rental income or capital appreciation will be paid out until the return to investors hits 12 per cent. After that, any further additional interest will be shared equally between bondholders and IMI.

The company says that, assuming annual growth in both rental income and capital value of 5 per cent, the bondholders' return would be just over 13 per cent a year. A combined annual growth of 10 per cent in rents and capital value would yield 16.5 per cent

As for tax, IMI says that "a structure has been designed" which is intended to keep all interest and capital distributions areign.

interest and capital distributions arising from the mortgage loans substantially free of corporate tax. Neither does it anticipate the payment of US income taxes, so investors should reap most of the benefits for themselves.

The bond issue, on a best effort basis, is being made through Barclays Merchant Bank, which wants to raise \$50m and will go to \$75m if the offer looks like being a winner. The bonds are being offered on a private placing basis to banks in Europe and the Far East. In the UK, they will initially be restricted to institutional investors, although buyers will be able to pick them up later on the Luxembourg market.

# We'd like to get on first name terms.

TLEASE DON'T THINK we're advocating any unseemly informality. Far from it.

We merely wish to become the first name that springs to mind when you're considering anything to do with offices, shops, or industrial and hightechnology buildings.

Anything, did we say? Yes, more or less.

We're aware that's rather a large claim.

However, we are rather a large practice. (We've eighty-five partners and associates, and over five hundred staff in the UK alone.)

And we didn't get big by turning down small jobs. In the past year, for example, we've handled instructions on units ranging in size from 400 square feet up. Admittedly, the largest is over 1.5 million square feet, and it's true that much of our work is extremely large.

As a matter of fact we think our size adds perspective to our experience and skills.

Big can be beautiful too, you know.

We'd like to put those skills at your service. And, to begin with, we invite you to have a copy of our personal directory.

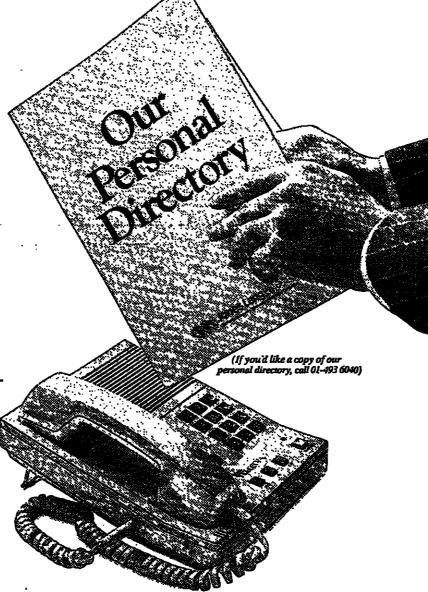
It will guide you to the person you need.

Of course, who you need depends on what you want. So let's run through what we do.

Our investment people handle buying and selling, and the funding of property development. We work for owners, occupiers, and, of course,

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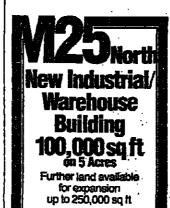
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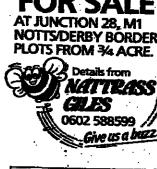
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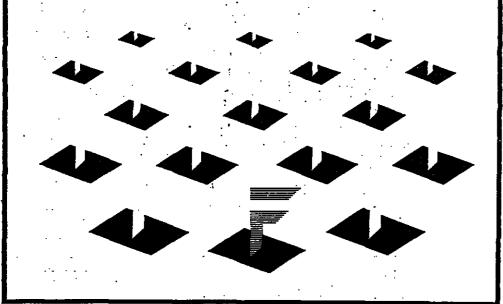
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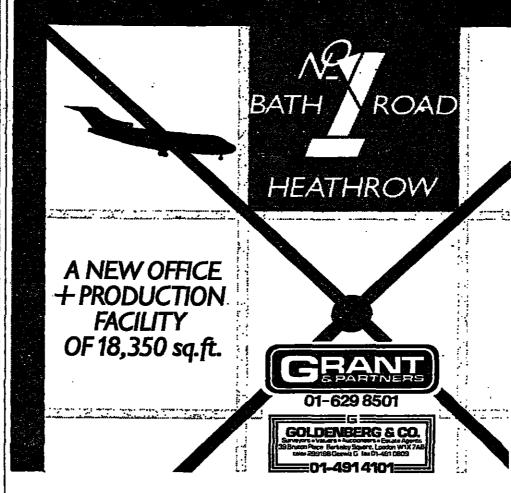
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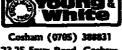
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INVESTMENT OPPORTUNITIES Please call Nicola Johann an 0296 624449 or write to: Company Notices

NEW KLEINFONTEIN PROPERTIES LIMITED INTERIM REPORT INCOME STATEMENTS nths ended 12 months ended ember 1984 30 June 1985 R R 82 067 2 138 889

1 544 283

1 268 869 135 000

882 067

738 976 99 000

| ipterest paid   | 1 403 869<br>115  | 837 976<br>47 024   | 1 797 034<br>55 342  |
|---|---|---|--|
| Net profit before tax<br>Taxation   | 1 403 754<br>635 500  | 790 952<br>348 000  | 1 741 692<br>762 846   |
| Net profit<br>Outside shareholders' share   | 768 254   | 442 952   | 978 846  |
| of loss in subsidiary   | 1 092   | 2 032   | 2 57,4   |
| Profit attributable to<br>ordinary shareholders   |   |   |  |
| before extraordinary item<br>Extraordinary item   | 769 345   | 444 984   | 981 42 <b>9</b><br>(165 600)   |
|   | 769 346   | 444 984   | 815 820  |
| Transferred from non-<br>distributable reserve  |   |   | 165 600  |
|   | 769 346   | 444 984   | 981 420  |
| Retained profit brought<br>forward  | 1 944 495   | 1 284 675   | 1 254 675  |
|   | 2 713 841   | 1 729 659   | 2 266 095  |
| Dividends   | 180 900   | 140 700   | 321 600  |
| Retained Profit   | R2 532 941  | R1 588 959  | R1 944 495   |
|   |   |   |  |
| Earnings per there (cents)<br>Dividends per share (cents)   | 9.0   | 22.1<br>7.0   | 48.8<br>16.0   |
| Dividends per share (cents)<br>Dividend cover (times)   | 9.0   | 7.0   | 16.0<br>3.1  |
| Dividends per share (cents) Dividend cover (times) BALANCE SHRET 3  | 9.0   | 7.6   | 16.0   |
| Dividends per share (cents) Dividend cover (times) BALANCE SHRET 3' Capital Employed Ordinary shareholders' tunds   | 9.0<br>4.3<br>1 December 1985<br>R  | 7.0<br>3.2<br>31 December 1984<br>R<br>5 735 710  | 16.0<br>3.1<br>30 June 1985<br><i>R</i><br>5 925 645   |
| Dividends per share (cents) Dividend cover (times) BALANCE SHRET 3 Capital Employed Ordinary shareholders' funds Deferred transition  | 9.0<br>4.3<br>1 December 1955<br>8 8<br>1 6 \$14 093<br>1 048 936   | 7.0<br>3.2<br>31 December 1984<br>R<br>5 735 710<br>1 109 292   | 16.0<br>3.1<br>30 June 1985<br>8<br>5 925 645<br>1 171 835   |
| Dividends per share (cents) Dividend cover (times) BALANCE SHRET 3' Capital Employed Ordinary shareholders' tunds   | 9.0<br>4.3<br>1 December 1985<br>R<br>6 S14 093<br>1 048 936<br>151 314   | 7.0<br>3.2<br>31 December 1984<br>R<br>5 735 710  | 16.0<br>3.1<br>30 June 1985<br><i>R</i><br>5 925 645   |
| Dividends per share (cents.<br>Dividend cover (times)<br>BALANCE SHRET 3'<br>Capital Employed<br>Ordinary shareholders' funds<br>Deferred taxation<br>Outside shareholders' loans.  | 9.0<br>4.3<br>1 December 1985<br>R<br>6 S14 093<br>1 048 936<br>151 314<br>st 347 274<br>RB 051 617   | 7.0<br>3.2<br>31 December 1984<br>R<br>5 735 710<br>1 109 292<br>152 809  | 16.0<br>3.1<br>30 June 1985<br>R 1925 645<br>1 171 835<br>1 171 835<br>1 348 368<br>R7 597 162   |
| Dividends per share (cents. Dividend cover (times)  BALANCE SHRET  Capital Employed Ordinary shareholders' funds Deferred thantion Outside shareholders' loans Outside shareholders' intere   | 9.0<br>4.3<br>1 December 1985<br>R<br>6 \$14 093<br>1 048 936<br>151 314<br>81 347 274<br>R8 061 617  | 7.0<br>7.0<br>3.2<br>31 December 1984<br>R<br>5.735 710<br>1 109 292<br>152 809<br>348 908<br>R7 346 719  | 16.0<br>3.1<br>30 June 1985<br>R<br>5 925 645<br>1 171 835<br>1 151 314<br>346 368<br>R7 597 162   |
| Dividends per share (cents. Dividend cover (times)  RALANCE SHRET 3' Capital Eduployed  Ordinary Shareholders' funds  Deterred timetton  Outside Shareholders' loans  Outside Shareholders' intere  Employment of Capital  Fixed Assets   | 9.0<br>4.3<br>1 December 1985<br>R<br>6 \$14 093<br>1 048 936<br>151 314<br>8t 347 274<br>R8 061 617  | 7.0<br>7.0<br>3.2<br>31 December 1984<br>R<br>5 735 710<br>1 109 292<br>152 809<br>348 908<br>R7 346 719<br>105 298<br>4 153 2037                                     | 16.0<br>3.1<br>30 June 1985<br><i>R</i><br>5 925 645<br>1 171 835<br>151 314<br>346 368<br>R7 597 162  |
| Dividends per share (times).  BALANCE SHRET  Capital Employed  Ordinary shareholders' funds  Deterred timestion  Outside Shareholders' loane  Outside Shareholders' intere  Employment of Capital  Fixed Assets per by  Investment—listed   | 9.0<br>4.3<br>1 December 1985<br>R<br>6 S14 093<br>1 048 936<br>151 514<br>1347 274<br>R8 051 617   | 7.0<br>7.0<br>3.2<br>31 December 1984<br>R<br>5 735 710<br>1 109 292<br>152 809<br>348 908<br>R7 346 719<br>105 298<br>4 153 2037                                     | 16.0<br>3.1<br>30 June 1985<br><i>R</i><br>5 925 645<br>1 171 835<br>151 314<br>346 368<br>R7 597 162  |
| Dividends per share (cets.) Dividend cover (times)  BALANCE SHRET  Capital Employed Ordinary shareholders' funds Deferred transition Outside shareholders' foans Outside shareholders' intere  Employment of Capital Fixed Assets Freehold property   | 9.0<br>4.3<br>1 December 1985<br>R<br>6 \$14 093<br>1 048 936<br>151 314<br>8t 347 274<br>R8 061 617  | 7.0<br>3.2<br>31 December 1984<br>8<br>5 735 710<br>1 109 292<br>152 809<br>348 908<br>R7 346 719   | 16.0<br>3.1<br>30 June 1985<br>8<br>5 925 645<br>1 171 835<br>1 151 345<br>348 348<br>87 597 162   |
| Dividends per share (Centres)  BALANCE SHRET  Capital Employeed Ordinary shareholders' funds Deferred transition Outside Shareholders' loans Outside Shareholders' Interes  Employment of Capital Fixed Assets Freehold property Investment—listed Current Assets  Less:  | 9.0<br>4.3<br>1 December 1985<br>6 \$14 093<br>1 048 936<br>1 51 354<br>4 151 354<br>82 051 617<br>92 515<br>4 128 570<br>5 312 000                                       | 7.0<br>3.2<br>31 December 1984<br>5 735 710<br>1 109 292<br>152 809<br>348 909<br>87 346 719<br>105 298<br>4 157 037<br>3 516 000<br>998 217                          | 16.0<br>3.1<br>3.0 June 1985<br>8 923 645<br>1 171 835<br>1 151 314<br>348 366<br>R7 597 162<br>4 106 967<br>3 312 000<br>1 371 492                      |
| Dividends per share (cets.) Dividend cover (times) BALANCE SHRET 3 Capital Employed, Ordinary shareholders' funds Deferred transition Outside shareholders' loans Outside shareholders' intere Employment of Capital Fixed Assets Freehold property Investment—listed Current assets Less: Bank overdraft/short term loans  | 9.0<br>9.0<br>1 December 1985<br>6 \$14 093<br>1 048 936<br>1 51 351<br>151 354<br>st 347 274<br>R8 051 617<br>92 515<br>4 129 570<br>3 312 000<br>2 040 052<br>9 574 137 | 7.0<br>7.0<br>3.2<br>31 December 1984<br>R<br>5 735 710<br>1 109 292<br>152 809<br>348 908<br>R7 346 719<br>105 298<br>4 153 637<br>3 512 600<br>998 217<br>8 568 552 | 16.0<br>3.1<br>30 June 1985<br>8 5925 645<br>1 171 835<br>151 314<br>348 368<br>R7 597 162<br>89 772<br>4 106 967<br>3 312 000<br>1 371 492<br>8 880 231 |
| Dividends per share (cests. Dividend cover (times)  BALANCE SHRET  Capital Employed Ordinary shareholders' funds Deterred timestion Outside shareholders' loaned Outside shareholders' intere Employment of Capital Fixed Assessmenty Fixed Assessmenty Investment—littled Current assets  Lasts Bank overdraft/abort term loans. Other current liabilities other current liabilities | 9.0<br>4.3<br>1 December 1985<br>6 \$14 093<br>1 048 936<br>1 51 354<br>4 151 354<br>82 051 617<br>92 515<br>4 128 570<br>5 312 000                                       | 7.0<br>7.0<br>3.2<br>3.2<br>3.2<br>3.2<br>3.2<br>3.2<br>3.2<br>3.2  | 16.0<br>3.1<br>3.0 June 1985<br>8 923 645<br>1 171 835<br>1 151 314<br>348 366<br>R7 597 162<br>4 106 967<br>3 312 000<br>1 371 492                      |
| Dividends per share (cets.) Dividend cover (times) BALANCE SHRET 3 Capital Employed, Ordinary shareholders' funds Deferred transition Outside shareholders' loans Outside shareholders' intere Employment of Capital Fixed Assets Freehold property Investment—listed Current assets Less: Bank overdraft/short term loans  | 9.0<br>9.0<br>1 December 1985<br>6 \$14 093<br>1 048 936<br>1 51 351<br>151 354<br>st 347 274<br>R8 051 617<br>92 515<br>4 129 570<br>3 312 000<br>2 040 052<br>9 574 137 | 7.0<br>7.0<br>3.2<br>31 December 1984<br>R<br>5 735 710<br>1 109 292<br>152 809<br>348 908<br>R7 346 719<br>105 298<br>4 153 637<br>3 512 600<br>998 217<br>8 568 552 | 16.0<br>3.1<br>30 June 1985<br>8 5925 645<br>1 171 835<br>151 314<br>348 368<br>R7 597 162<br>89 772<br>4 106 967<br>3 312 000<br>1 371 492<br>8 880 231 |

2 010 000 NII R5.3 million

PROPERTY AND GENERAL POST-tax carnings have increased in report. Unfortunately the proper no significant improvement in constitutions. Six months ended Shr mor 51 December 1985 31 Dece 293.816 193.45 0.66 1 337 133

average Rand per kilogram price received of R25 960 as contrasted with R18 857 for the corresponding period in 1984.

R18 857 for the corresponding period in 1984.

NOTICE IS HEREBY GIVEN that dividend No. 34 of 9 cents per share contrasted to the six months ended 31 December 1985 also been declared from the company at the close of business on 25 February 1986 and persons presenting Coupon No. 184 desched from Share Warrants to Beayer.

Office of or Shout 25 March 1986 to members at their registered addresses or for or shout 25 March 1986 to members at their registered addresses or persons to the company at the company of the company of the company of the company at the close of the company at the registered addresses or the company at the close of the company of the company

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104698-104816

THOMSON - CSF Società Ananyme - Capital F. 980.000.00 ed Office: 173 boulevari Haussmann - 71 ROSE PARIS B 552 059 024 Convertible Bonds 79, 1985 - 2000 General Redemption before due date

As the THOMSON-CSF opening glare price on the Paris Bourse (monthly settlement market), for the belood from 17 December 1985 to 31 January 1986 has been constantly showe 120% of the constraint of the last bean decided, in conformity with article 8 of the contract of Isaan to proteed with the general redemption before due date of this Isaa. To protect with the spenial redemption before due date of this Isaa. To protect with the several redemption before due date of this Isaa. To protect with the several redemption are remaining in circulation on 31st January 1985 will be redeemble as from 13th March 1986 at a unit price of 1881,000 with the addition of accrued interest from 1st July 1985 to 12 March 1986 (miles as the with 1986 of the 1986) with the addition of accrued interest from 1st July 1985 to 12 March 1986 (miles as the without 1986).

036782-037156

100312-10047B

104512-104605

104941-105012

N.M. Rothschild & Sons Limited New Court Lane St Swithin's Lane London EC4P 40U

O. K. BAZAARS (1929) LIMITED (incorporated in the Republic of South Africa) Republic of South Africa)

Republic of South Africa)

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100001-100187 103978-104477

104914-104931

CAISSE NATIONALE DES TELECOMMUNICATIONS Floating Rate Notes Issue of USD 300,000,000 1985-2000

For the period of one month, from 13 February to 13 March 1986 (28 days), the notes will bear interest rate of 8½ per cent per annum, The cayable interest due 13 March 1986 for each note of USD 10,000 nominal will be USD 63.68.

appears for FRIDA in ich s £39.<sup>07</sup> r£ single cold CONTRACT.

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PROPER

**acyce**ils

## **Imperial Group forecasts** profits growth of 23%

imperial Group, which is become deputy chairman of the which cost the company £11.5m fighting a £1.8bn takeover bid combined group and heir last year.

From Hanson Trust, yesterday apparent.

Farnings per share are forecast a 23 per cent increase in pre-tax profits for the year to chairman of Sears Holdings and (22.4p) and the forecast says chairman of Sears Holdings and the programme of the company £11.5m in the c

The forecast that pre-tax rofits would total about £290m, Profits Would total about £290m, against £235.7m in 1985, was slightly ahead of market expectations, which had been pitched around £285m. The forecast dividend is 12p, with the interim up from 3p to 5p.

The announcement came just 24 hours after the Government. 24 hours after the Government referred Imperial's plans for a marger with United Bisconts to while freeing Hanson to press shead with its bid.

with its hid. lapsing of the merger that Imperial has had to rethink its plans for the succession to Mr Geoffrey Kent, the chairman and chief executive, who is to retire in 1987. Under

already a non-executive director of imperial, has been appointed to the new post of deputy chair-man and will take charge of a committee to consider the structure of the board and succession to Mr Kent. Mr Michael Pickard, chairman

of Imperial's brewing and leisure division, will additionally take on the new post of deputy group chief executive.

chief executive.

Imperial's profit forecast includes £20m from the sale of pubs. This is up from £13.6m last year, but the company said the ratio of sales to divisional operating profits remained the same. The disposal last autumn of the loss-making Howard Johnson hotel subsidiary accounts for about £13m of the profits increase. Imperial is also assuming there are no major strikes.

last year.

Earnings per share are expected to total about 27.1p (22.4p) and the forecast says there should be no material extraordinary items in the year other than the costs of the Hanson bid and United merger. In the past five years Imperial has run up extraordinary items of £235m. Mr Kent said yesterday the group had been reshaping to make itself a low-cost oducer, which had now been hieved.

He added that this change of shape was underlined by the forecast that tobacco would in 1986, for the first time, not be the largest contributor to profits. This division is expected to make first division is expected to make fil25m, up 2 per cent, against fil30m for brewing and leisure, up 34 per cent, and £45m for food, up 36 per cent.

Imperial shares closed last night up 5p at 290p, about 43p above the value of the Hanson offer.

## Templeton valued at £344m

Templeton, Galbraith & Hansberger, the largest foreign company to seek a primary stock Exchange listing in London, today publishes details of a flotation that will value the At the end of last year the US fund management group at company had \$7bn in funds

Mr John Templeton, the com-pany's 73-year-old founder and panys 7.5-year-ou rounder aductairman, will realise about £55.5m from selling 25.8m shares. These form the bulk of the 40m shares being offered by Cazenove at 215p each to raise £86m. All of the shares are being sold by existing shareholders, with the company itself raising no new company itself raising no new

The company's share capital has been divided into two voting classes so that Mr Templeton can keep control of 60.8 per ceut of the votes after the flotation. of the votes after the flotation.
Of the 160m shares in issue,
120m cary only one vote, while
the remaining 40m, all of which
are being retained by existing
shareholders, carry five votes
each. These shares will not be
listed on the Stock Exchange.
Templeton, which is based in

> LADBROKE INDEX 1,206-1,210 (-1) Based on FT Index

> > Tel: 61-427 4411

& the Babamas, is an investment ign adviser specialising in global ary investment. It manages five in mutual funds, as well as pension funds and other accounts. under management, compared with \$1.5bn five years ago. During that time the number of shareholder accounts in the funds has grown from 100,000 to 400,000.

o 409,000.

Group profits after tax have grown from \$3.7m in 1980 to \$18m in 1984, and to an estimated \$23.9m for 1985. This implies a historic p/e ratio of 20.2 at the offer price. The group plans to pay out 40 per cent of after tax profits in dividends. On this basis the shares at the offer price yield 1.98 per cent.

The applications list opens on February 19 and dealings begin on February 27.

comment

Templeton's share price has not been pitched low enough to make it the sort of bargain that the company is apparently so adept at selecting for its own funds. That said, nobody denies that paid of Templeton's investment record is excellent, no ribat the background of US mutual fund original industry could scarcely look estimate better. Furthermore the quality of Templeton's earnings is so pound.

good, with investors tending to hang onto their units for a dozen years at elast, reinves-ting the income. Nevertheless, suspicious UK investors may not be altogether convinced that the London listing is a simple con-sequence of the group's global aspirations, and therefore may aspirations, and therefore may not be willing to pay a premium over UK fund management groups. However, the real test will come after 150 days when the door is opened to US investors. Stacked u pagainst its quoted US counterparts, Templeton starts to look more fairly rated, and some of Mr Templeton's 400,000 loyal clients may be heavy buyers at almost any

Court Line payment Court Line, the major British leisure group which collapsed in the mid-seventies, is to pay a seventh dividend of 23p in the pound, bringing total dividend to 224p in the pound, joint liquidator Guy Parsons of Peat Marwick said.

The dividend, which will be paid on agreed claims from creditors amounting to approximately 243m, far exceeds original forecasts which estimated that creditors would receive no more than 10p in the

## IBM UK profits advance by 60%

AN OUTSTANDING year for AN OUTSTANDING year for its work station and personal computer businesses contributed to a 60 per cent rise in pre-tax profits for IRM United Kingdom Holdings. The result was achieved on turnover up by 30 per cent.

The company, the ultimate holding company of which is International Business Machines of the US, reported 1985 turnover up from \$2.35bn to £3.04bn. Pre-tax profits came out at £521m, against the previous year's

Mr A. B. Cleaver, chief executive, says the achieve-ment reflected the company's determination to be the industry's low-cost producer and its careful management of costs and expenses during the year. He adds that the results were achieved despite a year in which the industry faced a number of

nncertaintles

As well as the work stations and personal computers, the 3090 top-of-the-range pro-cessor contributed in the last quarter as the level of ship-ments accelerated.

The continuing growth of the company's dealer, agent and remarketer networks helped it increase sales and number of customers, Mr Cleaver says.

Of turnover, a record \$1.58bn was experted, up by 25 per cent on last year's £1.18bn, which put it seventh in the league of UK exporters. The result was achieved because of the strength of the company's manufacturing base, says Mr Cleaver. That combined with the continuing investment programme, which is 1985 was a recent 2027. in 1985 was a record £207m (£149m), "makes us view the future with confidence."

However for the present year he warms that there conyear he warms that there con-tinues to be pressure on the industry and it will be a year in which business objectives will be achieved only by care-ful planning and prudent

Net profits were £308m against £200m.

The number of employees grew during the year by 1,292 to 18,798. More than 1,700 were recruited for the second succession was and throughout cessive year and throughout the last three years the com-pany has created 3,250 new lobs of which almost 1,000 have been for graduates...

### Michael Cassell considers Rodamco's bid for Haslemere Estates

The state of the s

## Dutch seek UK funds outlet

never again mean quite the same thing. The catchphrase, borne out of a respect for the property group's unequalled expertise in restoring some of London's finest buildings, has become

property industry jargon for high-class refurbishment. In future, it might be used to describe a sudden, predatory swoop on an unsuspecting property company.

Rodamce's surprise bid for control of Hastemere Estates

has been a possibility ever since the Dutch-based property trust picked up a share stake in the UK company towards the end of 1983. Talk of possible joint ventures gave way to speculation about a takeover, although few

ready to make its play.
Despite Haselemere's dismissal
of the approach, Rodamco seems
to have got its terms flucly
balanced and its timing just
right, although the possibility of right, although the possibility of a third party muscling in cannot be completely ruled out, even after yesterday's impressive dawn raid by the Dutch.

The 600p-a-share bid, which quickly tempted a significant number of shareholders to sell, refert

number of shareholders to sell, reflects a fairly narrow discount on last stated net assets per share of 649p. The figure has undoubtedly risen since, although most estimates place it no higher than about 680p, which Haslemers will no doubt be attempting to the story of the sto ing to top as it sets up its defence.

The Dutch fund says its un-

characteristic and slightly puzzling decision to broadcast publicly its terms before holding any discussions was designed to ensure that Hasiemere has little choice but to give the offer full consideration. The UK company wasted no time yesterday in showing what it thought of the approach

approach. Rodamco likes most of what it Rodamco likes most of what it According to Mr Maxwell sees in Haslemere, which was Creasey, the former deputy founded as a private company in managing director at MEPC,

But it has recently found the going tougher, with growth in net assets per share and its share

sector. Earnings per share in the year ending March 1985 were 5 per cent down on 1981 and the market has not been expecting any significant improvement

One of Haslemere's difficulties has stemmed from its decision to become less exposed to its tradi-tional market, investing in smallto medium-sized properties, and to step up its involvement in the latest generation of larger effice

HASLEMERE'S RECORD

| <u> </u>             |                         |                              |
|----------------------|-------------------------|------------------------------|
| Year end<br>March 31 | Pre-tax<br>profit<br>£m | Earnings<br>per share<br>(p) |
| 1985<br>1984         | 6.47<br>5.83            | 15.58<br>14.99               |
| 1983<br>1982         | 7.09<br>6.08            | 16.75<br>18.06               |
| 1981                 | 5.88                    | 16.35                        |

1943 by the late Mr Fred Cleary and floated at four shillings a share in 1961. It concentrated from the outset on property investment and development in London and the south east and its investment portfolio rose its investment portfolio rose from £609,000 at the time of its flotation to £290m in 1985.

in performance over the medium term.

who becomes one or three-founder-directors of Rodamco Property: "Part of the company's problem has been a lack of funds. which has forced it into the arms of funding partners in order to carry out major projects. As a result, its share of any develop-ment profits has been limited." And some of its projects have not been runsway successes. Recently, it was caught in the classic development trap, having

to make ground rent payments to funding pariners while two of its major City of London office schemes remained empty and non-income producing.

Mr Creasey says Rodamco will be able to inject funds into Hastemere, allowing it to take on a broader range of investments and to retain 100 per cent ownership for itself. There are

lso suggestions from the Rodamco camp that Haslemere's management has become a little too sleepy and that a fresh surge of enthusiasm may now be over-But Haslemere's chairman, Mr

David Pickford was last night quick to reject the accusation and in confident mood about prospects for asset and profits growth and for Hastemere's grown and for mastemers's ability to secure for itself a thriving, independent future.

One of property's gentlemen, he says the Dutch are "nice people" but that they have totally underestimated Hasiemers's current value and future. mere's current value and future

If the takeover succeeds, however, there will inevitably be some sales in a portfolio of about 180 properties, 75 per cent of which, by value, are located in the south-east.



forms part of its strategy to construct a Dutch property invest-ment vehicle with a portfolio spread throughout the world. The property trust was founded in 1979 and now has net assets of about £500m, invested in Europe

about £500m, invested in Europe and the United States.

According to Mr van Rijn:

"There are enormous volumes of funds available in Holland for property investment but very restricted opportunities to invest in the domestic market. We are ready to direct some of those funds into the UK." funds into the UK." Unlike its sister trusts in

which, by value, are located in the south-east.

Mr Cornelis van Rim, managing director of Rodamco NV says Haslemere holds "a fair amount of attractive property, but some is mediocre and some X would not buy if it was not already in the portfolio."

Unlike its sister trusts in parent company Robeco. Rodamco invests directly in property, although it does also hold an equity portfolio. In the UK, stake is in Hammerson, which would prove to be an altogether bigger and tougher nut to crack. See Lex

### Asset value upturn for two venture capital groups

Newmarket Company and Abingworth, the quoted British venture capital groups with substantial exposures to the US, experienced a slight recovery in asset values in the final quarter

of 1985.

Both groups attribute the improvement to an upturn in valuations of publicly listed US technology stocks, though Newmarket warns that "the recovery owed more to investors areas of the market than to a faindamental economic improvement in technology companies.

Newmarket registered in Bermude, with 80 per cent of its investments in the US, tinveiled a rise in net asset value from \$2.38 per share to \$2.44 (£1.69) in the three months to the end of its financial year in

the end of its financial year in December. The total value of the portfolio climbed by 7 per cent during the year from \$81.37m to \$87.04m. The results sent the shares down 2p to 120p, a 30 per cent discount to asset value.

Mr Alan Henderson, Newmarket's chairman, said: "This recovery has enabled us to sell further quoted stocks in the last quarter of the year." Holdings were realised in Ziyad Inc, a maker of intelligent paper processors, Massachusetts Computer Corp and Centocor, a niotechnology venture.

During the final three months, Newmarket made a new investments during the interim period \$2m in three British businesses. A number of significant realisations were also made, including the disposal for \$314.063.

Mr David Quysner, a director, said yesterdgy that "six or seven" portfolio companies are expected to go public in the next year, mainly in the US. Spice, a niotechnology venture.

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Mr David Quysner, a director, said yesterdgy that "six or seven" portfolio companies are expected to go public in the next year, mainly in the US. Spice, a potential properties of THF's hotels. THE THE THE interimperation investments during the interimperation of significant realisations were also made, including the interimperation of \$20.000 compensation in the same investment of \$20.000 compensation in the same in three British business.

TRUSTHOUSE FORTE, the hotels and catering group, has realisations were also made, includ

Unaudited results for

Tumover ....

Profit before tex

Taxation

Profit after tax

Elite

Elbief

Elbiet plc

1/2 year to 31st October.

Carnings per share .....

**PHOTO FRAMES** 

HANDBAG FRAMES

ACCESSORIES FOR LEATHERGOODS

Perice of Wales Lane, Birmingham B14 4LA

MIRRORS ...

**CLOCKS** 

Net dividend per share

Software Inc and put an additional £1.4m into 10 existing UK investments and \$1.02m of follow-on financing into seven US ventures.

Abingworth, with 72 per cent of its portfolio in US businesses, recorded a rise in net asset value from £2.70 per share to £2.81 in the three months to December. the three months to December, completing the first half of its financial year. Net assets slipped, however, from £2.86 per share in June 1985. The share price slipped 5p to 240p, a 15 per cent discount to net asset value.

The value of the doubt based element of the portello showed growth is the first hist three months of 1985, but this gain was reduced in sterling terms by the strength of the pound," said the group.

group.

Abingworth made six new

## DIVIDENDS ANNOUNCED

|                       |                    | M11401   |                           |                      |                       |
|-----------------------|--------------------|----------|---------------------------|----------------------|-----------------------|
|                       | Current<br>payment |          | Corre-<br>ponding<br>div. | Total<br>for<br>year | Total<br>last<br>year |
| Birmid Qualcast       | . 3                | _        | 2.59                      | 3.75                 | 3.25                  |
|                       | t . <b>Q.53</b>    | April 10 | 0.48                      | _                    | 1.72                  |
| Mid Wyndip            | t 1                | April 7  | 0.9                       | _                    | 2.15                  |
| Scottish Agricultural | . 12               | April 4  | 12                        | 18.5                 | 18.5                  |
| Treut Holdingsin      | : 0.46             | March 27 | 0.42                      | _                    | 1.05                  |
| Tribune               | 2.15               |          | 1.7                       | 2.75                 | 2.25                  |
| Trust of Property     | A = -              | April 8  | 0.4                       | 0.5                  | 0.4                   |
| Yeoman Trust          | 2 1                | March 31 |                           | 9.6                  | 8.6                   |

Dividends shown in pence per share except where otherwise stated \* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.

SUCCESSFUL DIVERSIFICATION

·· 1985 ···

\$'000

2,048

302

(121)

181

\*\*1.43p -:532p

1984

2000

1,757

251

(113)

138

:484p

## SAI hit by weather and narrowing margins

FOLLOWING the substantial rung by a narrowing margin on reduction in profits at midterm, fertilisers. Gross profit was down Scottish Agricultural Industries from £20.31m to £18.04m. has made a trading profit of only 1384,000 for the full 1985 year, compared with £2.77m.

And taking account of inpetition. Fertiliser raw materials creased associates' losses and a are traded in dollars and,

move into net interest payable, atthough the sterling/dollar rate improved in the last quarter, loss of £355,000 for the year, compared with a profit of £3.15m.

The comparison of £3.15m.

The comparison of £3.15m. The company, a 62 per cent owned subsidiary of Imperial Chemical Industries, is holding

the dividend at 18.5p net, with an f441,00° (£232,006) and interest unchanged final of 12p.

The first the first f related companies

price increas

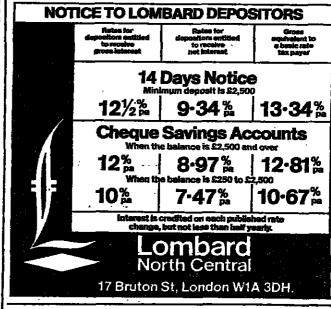
#### Former THF directors get £0.2m

hotels and catering group, has the separate payments.

TRUSTHOUSE FORTE, the declined to give a breakdown on paid a total of £200,000 compensation to two former directors for loss of office.

According to the group's annual report for 1985, Mr Pecorelli resigned last August for loss of office.

The directors concerned are Mr Robert Manfred, formerly in charge of THF's American operations, and Mr Gluseppe Pecorelli, a former managing director of THF's hotels. THF Manfred retired last March.



## Granville & Co. Limited

Member of The National Association of Security Designs and Investment Managers 8 Lovat Lane London EC3R 8BP Telephone 01-621 1212 **Over-the-Counter Market** 

## This announcement appears as a matter of second only

MEPC plc Metropolitan Estate and Property International N.V.

£200,000,000

**Underwritten Tender Panel** Advance Facility with Euronote Option

NM Rothschild & Sons Limited

Underwriting Banks

Bank of Montreal Kleinwort, Benson Limited NM Rothschild & Sons Limited Banque Paribas (London) Credit Lyonnais, London Branch Canadian Imperial Bank Group Lloyds Bank Plc The Royal Bank of Canada Westdeutsche Landesbank Girozentrale Dresdner Bank Aktiengesellschaft,

Banco de Bilbao, S.A. Banque Belee Limited Canadian Imperial Bank of Commerce

Banque Nationale de Paris p.l.c.

Citicorp Investment Bank Limited County Bank Limited Credit Suisse

Dresdner Bank Aktiengesellschaft, London Branch Kleinwort, Benson Limited Midland Bank pic Orion Royal Bank Limited The Dai-Ichi Kangyo Bank, Limited The Sanwa Bank, Limited Union Bank of Switzerland

Banco de Bilbao, S.A. Banque Belge Limited
CIBC Limited

Commerzbank Aktiengesellschaft, Credit Lyonnais, London Branch Deutsche Bank Aktiengesellschaft London Branch First Chicago Limited Kleinwort, Benson Limited Samuel Montagu & Co. Limited Morgan Stanley International Salomon Brothers International Limited Shearson Lehman Brothers International The Dai-Ichi Kangyo Bunk, Limited

Westdeutsche Landesbank Girozentrale

Manufacturers Hanover Trust Company

County Bank Limited Advance Tender Panel Banks

Credit Commercial de France,

Bank of America NT & SA Banque Nationale de Paris p.Lc.

First Chicago Limited Lloyds Merchant Bank Limited Morgan Grenfell & Co. Limited NM Rothschild & Sons Limited The Fuji Bank, Limited The Sumitomo Bank, Limited

Euronote Tender Panel Banks Bank of America International Limited Banque Nationale de Paris p.l.c.

Westdeutsche Landesbank Girozentrale

County Bank Limited Credit Suisse Fuji International Finance Limited

Lloyds Merchant Bank Limited

Morgan Grenfell & Co. Limited

Sumitomo Finance International

Orion Royal Bank Limited

Sanwa International Limited

Tokai International Limited

CIC Union Europeenne, International et Cie

Bank of Montreal Banque Paribas (London) Citicorp Investment Bank Limited

Credit Commercial de France,

Credit Suisse First Boston Limited

Westpac Banking Corporation

Westpac Banking Corporation

Dresdner Bank Aktiengesellschaft, London Branch Hill Samuel & Co. Limited Manufacturers Hanover Limited Morgan Guaranty Ltd NM Rothschild & Sous Limited Security Pacific Limited Swiss Bank Corporation International Limited Union Bank of Switzerland (Securities) Limited

Morgan Guaranty Trust Company of New York Bank of America NT & SA

CIC-Union Europeenne, International et Cie,

Citibank, N.A.

Midland Bank plc

Bank of Montreal

Credit Lyonnais, London Branch

Westpac Banking Corporation Morgan Grenfell & Co. Limited

The Sanwa Bank, Limited

Banque Paribas (London)

Hill Samuel & Co. Limited

Swiss Bank Corporation

The Mitsui Bank, Limited

The Tokai Bank, Limited

Commerzbank Aktiengesellschaft London Branch

Deutsche Bank Aktiengesellschaft London Branch

Manufacturers Hanover Trust Company

Morgan Guaranty Trust Company of New York



NM Rothschild & Sons Limited

January 1986

## Sedgwick having merger talks with US broker

Sedgwick Group, Britain's largest independent insurance broker, is in merger talks with Bayly, Martin and Fay International, the eighth largest broker in the US.

Talks, which are understood to have been in progress for three weeks, followed an approach by Bayly Martin and Fay to Sedgwick, which jockers for position as the wurld's second largest insurance broker with Alexander and Alexander and Alexander ran into trouble with its merger talks collapsed. After decided to announce the talks of the managaments could talk openly. He said that the was not will largest broker in the US, He said that the world's third largest broker, but that Fred S. James was not well represented in the US oil producing areas.

Last year Selgwick merged with Fred S. James in a £533m deal, which gave Transamerica that he wants Sedgwick to increase its retail broking presented in the US financial conglomerate; which owned business based in Forth Worth, Texas and employs 1,300 people.

It is a retail insurance broker, specialising in the insurance of film production risks, energy and aviation.

**Bell continues** to build up

Crucible stake

that it fully supports the take-over of First Castle and on the assumption that the Australian group acepts the share offer part of the bid, its stake in the UK

company will soon be 12.93 per

cent.

Earlier this week Bell became
the largest single shareholder in
Morgan after it announced an
11.2 per cent holding.

Norwich has morethan £400m of quoted oil shares and direct stakes in the North Sea's Forties Field and exploration interests in several consortia.

Mr Paul Lovett, the investment manager, said as Norwich was looking to the long term, it regarded the recent fall in oil prices, and the unfashionable nature of the sector, as an opportunity to add to its portfolio. Goal holds a coveted 5 per cent stake in the onshore Wytch Farm oil field.

## Williams offers £140m for McKechnie

BY DAVID GOODHART

Williams Holdings, the fast-growing industrial holding company, yesterday unveiled an all-share bid for McKechnie Brothers, the Midlands-based non-ferrous metals and plas-tic company which is almost twice its size.

twice its size.

The offer of one Williams share for every two McKechnie values the company at about £140m. There is no cash alternative. The approach was immediately related to independent. approach was immedi-ately rejected as inadequate, misconceived and "showing a

total disregard for McKechnie's sactesful Theord and future prospects.

McKechnie had been half-expecting a bid ever since Williams revealed a 6 per cent stake last December. Partly because of that stake it brought forward its own plans to acquire a fellow Midlands manufacturer, Newman Tonks. McKechnie unvelled its £58m bid for Newman Tonks at the end of January but despite end of January but despite a number of meetings since then no agreement has been

forthcoming from the New-man board. Dr Jim Butler, the McKechnie chairman, has insisted that he will continue with the that he will continue with the bid, despite Newman's opposition. But the Williams chairman, Mr Nigel Rudd, stressed yesterday, that the offer for McKechnie is dependent upon the Newman Tonks bid being dropped.

The three-sided conflict—which promises to become a long and bad tempered buttle—is likely to reach a first

elimax at the McKechnie extraordinary meeting on February 28, when its shareholders have to decide ou whether to support the Newman Tonks' bid. With Williams' shares increasingly popular, but still outside most institutional portfolios, the demand is strong particularly after its recent takeover of Rawiplug and Spencer over of Rawipiug and Spencer Clark. Dr Butier said there was no

industrial logic in a Williams bid, and claims to the con-

trary were "naive and super-ficial." He added: "They are making a fundamental mis-take if they believe that McKechnie is in any way comparable to those com-panies with limited prospects and high overheads which they have acquired in the past."

McKechnie's shares rose 16p to close at 224p, Williams slipped 2p to close at 475p and Newman Tonks fell 8p to

#### David Goodhart looks at the background to a potentially bloody takeover battle

## Corporate philosophy—the generation gap

THE LONG-PREDICTED bid by Williams Holdings for McKechnie Brothers has the potential to bebrokers has the potential to oc-come a fascinating and bloody battle between two different philosophies of how to run diver-alfied manufacturing holding

The philosophical divide is underlined by a difference of generations. Mr Nigel Rudd, 39, and Mr Brian McGowan, 41, and Mr Brish metowan, 21, are the young(ish), ambitious entrepreneurs, who in February 1982 paid \$400,000 for control of a loss-making Welsh foundry group out of which they have group out of which they have grown—primarily through acquisition — a Hanson-style conglomerate with estimated profits of £6m and turnover of £120m.

In the City Williams is perhaps the most popular of the new conglomerates (the other prominent ones being Evered Holdings, Suter and F. H. Tomskins). Its share price has risen, almost without pause, from about

Premier Consolidated Oilfields, a larger British independent, recently bought an 11 per cent stake in Goal. Mr Roland Shaw, kins). Its share price has risen, almost without pause, from about 15p in June 1982 to over 470p last night. Although it only moved nito profit in 1984 and dividends have been minimal, its acquisitions have been funded through its increasingly popular its chairman, said yesterday that he was still "reviewing the situation." Premier's stake was acquired for about 41p a share.

is a 100 year old Midlands metal-basher with a chairman, Dr Jim Butler, and two other executive directors all aged 59. Dr Butler and Mr Leslie Milner, the fin-ance director, have both heen on the board for 15 years. Fifteen years ago the com-pany also began to diversify out of metals and into plastics and consumer goods and its subse-quent performance has been

are a bit dull, but we have good management and all the jazzy things like profit-orientated in-centive schemes." He adds that unlike many similar companies in its sector it did not suspend its dividend between 1979 and

To Dr Butler the new conglomerates are the frothy pro-ducts of a bull market with more ready to succeed." than a smell of the asset strippers of the early 1970s. Like strippers of the early 1970s. Like the many company chairmen before him who have faced the highly rated paper of the junior Hansoos, he wonders aloud just how much of Williams' own growth has been organic and points out that the improved performance of a recent Williams' acquisition like J. and H. B. Jackson was in the pipeline anyway.

McKechnie naturally stresses its longer term worth compared

not performed well in the past few years." More back-handedly, be goes on: "I had a friendly he goes on: "I had a friendly chat with Dr Butler yesterday and he's a very cultured man, but he looks at things in a different way to us. To be frank it's symptomatic of age — three of the directors are nearly 60 and

On that point Dr Butler can snap back—perhaps justifiably — that Wiliams does not know it is talking about. He says, "We have in the past few years grown up an embryonic divisional structure under the board consisting of some of our leading managing directors." All in their 40's, the key figures are:

Mr John Kembery, metals; Mr Keyin Cubbarg, corphysias corpicians Kevin Cubbage, consumer goods; Mr Stuart Mobberley, plastics; and Mr Robin Hitchcock, engi-

On the financial figures Wil-On the financial figures Wil-hams is more telling. Mr Rudd points out that in 1965 the McKechnie share price stood at 62p and Williams started buying their shares at 112p last July. A doubling of the share price in twenty years may not be very exciting, but Dr Butler now says

that the 220p price is almost entirely justified, regardless of

company has suffered two pieces of bad luck in the last two years which have affected its share price. A major fraud was uncovered in Australia in 1984 and the more recent collapse of the good of the county of th rand has caused the market to disapprove of almost anything with a South African connec-

But McKechnie's results have been fiat. In 1982, it made pre-tax profits of £10.7m on turnover of £155m, in 1983 £11.5m on £158m, in 1984 £15.2m on £203m and last year £16.6m on £222m.
Pleading perspective, Dr
Butler points out that the comparison with similar companies
is generally flattering to McKechis generally flattering to McKech-nie and that £16m on £220m is still a better margin than Williams' own £6m on £120m. He adds: "The growth has been useful but not exciting—until the recession we were perceived to be doing the right thing. Since then we have consolidated and now we're looking for en-

and now we're looking for en-hanced growth."

It is the quest for such new growth that prompted the New-

and the diving time of the expension of the property of

man Tonks bid. Although in the past almost all deals have been agreed, the Williams presence has concentrated the mind and

has concentrated the mind and "stopped us pussy-footing around waiting for an agreement," says Dr Butler.

McKechnie's City image may be poor, but its industrial management practice is not disimilar to Williams. It has a small head office of only about 18 staff which acts as banker and financial controller to the largely autonomous units.

"We are by no means the flabby, bureaucratic, over-stuffed.

"We are by no means the flabby, bureaucratic, over-stuffed, target that companies like Williams usually aim at," says Dr Butler. And just as important it has diversified in the right directions. In the 1960's it was still almost entirely metals, but its 1985 figures show that while metals and chemicals accounted for \$1300 of two near they metal. for £139m of turnover they made only £6.9m profit compared with £5.9m from plastics and consumer goods on turnover of £82.4m.

Non-ferrous metals—particularly brass sections—is still the business of its biggest single unit, McKechnie Metals, based near Birmingham, which employs about 800 of the total UK labour force of 5,000. But the traditional activities are increasingly concentrated, quite profitably, in Australasia and South Africa, which still account for nearly one-third of turnover.

It was in 1969 that it bought Harrison, a curtain rack and domestic hardware company. In the following 10 years it picked up several more plastics—and Non-ferrous metals - particu

the following 10 years it picked up several more plastics—and latterly consumer goods companies—many of which are quite well known (such as Crayonne) and have a growth potential that has attracted Williams.

McKechnie now makes a wide rease of plastic goods from

range of plastic goods from modern telephone frames for British Telecom to asthma in-

Goal stake for Norwich BY MARTIN DICKSON

Norwich Union, the inustance group; emerged yesterday as the surprise buyer of a strategic 2468 per cent stake in Goal Petrocum, the small UK independent oil producer, which was sold by Morgan Grenfell, the merchant bank. Norwich has a putand-call option agreement ove: Morgan's additional 5.24 per cent stake in Goal.

Morgan had been seeking a purchaser for its stake for some time aid there had been Bel Group International, the UK-arm of Mr Robert Holmes a Court's Australian industrial, resource and investment group, is continuing to build up its stake in materials technology group Morgan Crucible.

Crucible's agreed £48m bid for First Castle Electroales is due to close on Saturday. The offer is three Crucible shares for every four in the defence and electropurchaser for its stake for some time and there had been speculation that this might go to a potential bidder for Goal. Nor-wich, wilch, however, said its holding was a "long-term investment," apparently put in the highest offer of several components company.

Over the last few days Bell has selzed opportunities to buy First Castle shares when the mar-

First Castle shares when the market price has made this the cheaper route onto Crucible's register. Yesterday's Bell announced that it held 1.6m shares in First Castle, some 6.1 per cent of the issued equity.

BNI has indicated to Crucible that it follow manages the table. Treceiver.

It pad 57p a share compared with at unchanged Goal closing price let night of 52p.

## Valor in £1m acquisition

Valt, the gas fire and home fall in turnover led to a small appliace group, has taken over the K distribution for Magimix,

the largest single shareholder in Morgan after it announced an 11.2 per cent holding.

Evered cleared

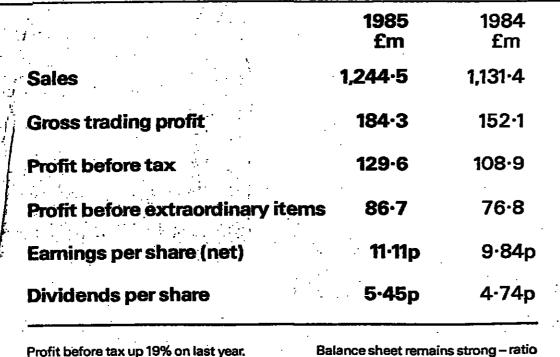
The Office of Fair Trading has decided not to refer the acquisition by Evered Holdings, as leader of a concert party, of a 20.1 per cent in TI, formerly Tube Investments, to the Monopolies Commission. The Monopolies Commission. The Monopolies Commission. The Monopolies Commission. The decision relates only to the 20.1 per cent stake and not to any future purchase of shares or hid.

trading deficit. The Magimix business produces turnover of

# Trusthouse Forte PLC

# ANOTHER RECORD YEAR

#### Results Year to 31st October, 1985



Profit before tax up 19% on last year.

Earnings per share increased by 13%.

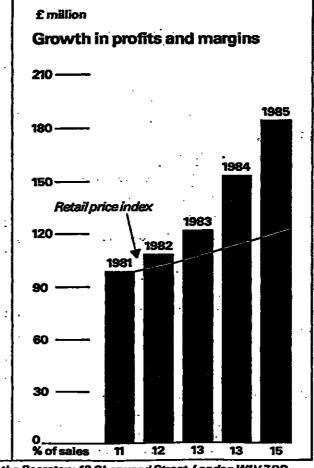
Property assets well in excess of a

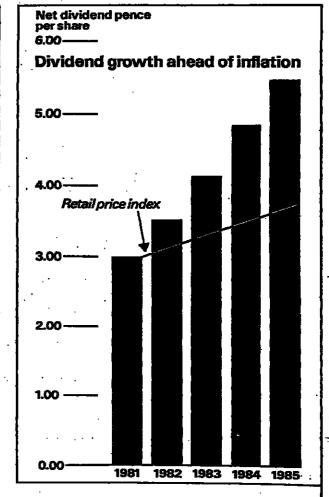
billion pounds (£1,000,000,000).

Dividend increased by 15%.

of net borrowings to shareholders' investment 0.29:1.

Trading in the current year is comfortably ahead of last year and this trend continues to be seen in our forward bookings.





Copies of the Annual Report may be obtained from the Secretary, 12 Sherwood Street, London WIV 7RD For reservations at any of our hotels worldwide ring our booking office on 01-567 3444, contact your travel agent or ring the hotel direct.



Trusthouse Forte

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## Birmid Qualcast lower at £10m

AGAINST THE market's hopes, Birmid Qualcast has failed to make up the shortfall incurred at the half way stage. For the year ended November 2 1985, its profit before tax came out at £10.06m, after a 2.48 per cent drop to £12.29m in operating profit and a 67.5 per cent surge to £2.13m in net interest costs. The market was looking for a

The market was looking for a pre-tax profit in line with the previous year's £11.29m.

But the directors are lifting the dividend from 3.25p to 3.75p net, with a final of 3p. They say in diametric contrast to 1985 the first quarter shows every indica-tion of giving the group a good start to the current year. Although capital expenditure was increased to £8.8m net

was increased to £8.8m net borrowings were virtually unchanged at 20 per cent of shareholders' funds, and the financial position remains strong.

Mr R. T. Macpherson, the chairman, recalls that the first quarter of 1984-85 was adversely affected by a number of factors, but says there was a strong but says there was a strong recovery subsequently led by the consumer product activities. In the home and garden equip-

ment division turnover rose to £59.49m (£54.67m) and operating profit to £6.34m (£4.6m). The lawn mower business was assisted by reasonable grass-

**BANK RETURN** 

DEPARTMENT

**ISSUE DEPARTMENT** 

BANKING

JABILITIES

#### **BOARD MEETINGS**

| The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not |
|--|
| available as to whether the dividends  |
| are interims or finals and the sub-  |
|  |
| divisions shown below are based  |
| mainly on last year's timetable.   |
|  |
| TODAY  |
| Intraface Aulas trademantas Europe   |

laterime: Ariet Industries, Ewart New Northern, Memcom International, Second Alliance Trust. Finals: Cranbrook Electronic, Glas-gow Stockholders Trust, Kennedy Brookes.

growing conditions and gave a heating in the first quarter. A rticularly strong performance which is expected to be maintained. Improved efficiency and new products helped to generate a substantial increase in earn-

ings.
The kitchen furniture company was unable to maintain its record performance of the pre-vious year because of a signifi-cant fall in total market size; but the bathroom ware side recorded another satisfactory trading result.

result.
Turnover in the heating division was clipped to £36.27m (£36.93m). But the operating surplus fell to £4.76m (£6.88m) as a direct result of a sharp drop in demand for central

7,405,653,507

598,602,771 668,876,694 6,131,620,614 6,192,546 350,892

7.405.653.507

11,963,807,454 6,192,546

11,970,000,000

11,970,000,000

**Swiss Engineering** 

production

for economic

EMS has been producing engineering plastics and synthetic fibres of the

highest quality for over 30 years.

Nevertheless, EMS is constantly

developing new production processes with the aim of increasing its

This striking willingness for innovation is one of the reasons why

EMS has gained a worldwide repu-

tation as a specialist in polyamide

and polyester fibres. Our know-

how is based on the ideal combi-

of engineers, technicians, planners

team which is well qualified to pass

and finance specialists, and it's a

We have at our disposal a team

notion of research and practical

application.

£

22,730,000 2,629,125 311,102,302 6,722,609 11,616

3,277,391 6,722 609

10,000,000

162,125,265 172,125,265

+284,290,434

+ 284,290,434

**FUTURE DATES** 

much stronger trading pattern was evident later. Engineering experienced difficult year, principally because of losses from the mining equipment activity and lower profits from the UK irrigation company. Plastics products and precision engineering companies achieved reasonable profits. Overall, turnover was £21.16m (£20.72m) and profit £232,000 (£512.000).

comment Riemid Oualeast's results, like the curate's egg, are good enough in parts. One half of the com-pany—foundries and engineering

interim on 20%

On sales ahead by 16.5 per

cent to £2.05m in the half year ended October 25 1985, the Elbief group has lifted its pre-tax profits by 20 per cent, from £251,000 to £302,200. The interim

dividend is raised from 0.484p to 0.532p net per share, and waivers have again been received from

some directors and their asso-ciates on 3.31m shares. Mr Samuel Prais, the chair-man, says the range of leather-goods accessories and photo-

goods accessories and photo-graph frames, mirrors and clocks have all shown increases in sales. Incoming orders are also reflecting a higher demand com-pared with this time last year.

Tax is estimated at £120,880 (£113,100) to leave net earnings

at 1.43p (1.09p) per share. For the full year ended April 30 1985 the group made a pre-tax profit of £503,600 (£470,380)

Net asset value per ordinary share at Tribune Investment

Share at Thome investment
Trust improved from 138.5 to
154.6p in the 1985 year, with
revenue up from £2.4im to
£2.74m before tax at £949,689
£898,095). The final dividend is
raised from 1.7p to 2.15p for a
total of 2.7p (2.25p).

Tribune Investment

profit growth

Elbief lifts

#### advance by —is struggling to achieve a decent level of profitability through closures and rationalisation. Meanwhile, the rest, central heating boilers and lawn-Camco at vear-end mowers, supplies consumer durables and is subject to very DESPITE the protracted recession in the petroleum industry, Cameo, a subsidiary of Pearson, increased its pre-tax profits from \$18.85m to \$22.13m (£15.69m) in 1985. In the final seasonal demand patterns. The closure costs for the steel furnace at Nuneaton have been taken below the line this time round and without the £1m losses, this division should make operating profits of £2m at least quarter, however, profits were down from \$6.28m to \$5.87m. in the present year. Engineering, it appears, is the next candidate for drastic remedies. Over on the consumer side, the group's real profit centre in the last few

down from \$6.28m to \$5.67m.

Net sales for the full year improved from \$168.79m to \$175.35m. The pre-tax figure was after cost of sales totalling \$110.98m (\$105.9m); selling, general and administration expenses slightly lower at \$42.18m (\$43.02m), and interest charges of \$1.1m compared with \$1.03m. There was a gain of \$1.04m this time on the sale of a subsidiary.

After tax up from \$6.56m to \$9.13m, net income came out real profit centre in the last few years, the end of the boiler price war should be welcome, as should the recovery in volume as the replacement market gets up a head of steam. Lawnmowers have lost some of their drama since the end of the Flymo war and have to look for a good sprinkling of rain in the earliest possible of springs if the division is to improve on last year's per-8.9.13m, net income came out \$13m against \$12.3m. Stated earn-ings per share improved from \$1.968 to \$1.77, and the dividend is raised from 36 cents to 42 possible of springs it the division is to improve on last year's performance. In spite of having come in fim below expectations this time, the forecasts are for f13}m given the apparently very good start to 1985-86. The improved dividend should support

Trent Holdings

expansion costs

Additional interest charges

pegged by

In May 1985, the company sold its American Technology Corporation subsidiary to Citibank International Trading Company. An after-tax gain of 10 cents per share was recognised in the second quarter of 1985 as a result of this transaction.

The Tax Reform Act 1984 remixed parameters. a better prospective rating than the modest six times earnings on the shares at 971p. The Tax Reform Act 1984 granted permanent foregiveness of tax on deferred income for domestic international sales corporations. The results for 1984 include recognition of a \$2.2m or 30 cents per share reduction in the provision for income tax and increased net income for tax on income deferred in previous years. Setting up costs and much higher interest charges have affected the pre-tax profit at Trent Holdings, the maker of specialised doors. In the six months ended September 30 1985 the profit has fallen from £259,000 to £227,000.

## BTR Hopkins

have lifted the total dividend to 22.5 cents (14.5 cents) with a 12.5 cents (7.5 cents) final. Earnings are up from 37.6 cents to 71 cents per share.

The group's trading continues at a high level, the directors say, and they are seeking further expansion through acquisitions and internal growth

and internal growth.
Turnover rose to A\$371.98m
(A\$115.74m).

machinery.

Parker, Winder & Achurch, which factors architectural ironmongery and security fittings, continues to increase sales 9.7p, against 8.79p, Yeoman Investment Trust is raising its dividend by 1p to 9.6p for the year 1985. The final is 6.1p.

At the year end the net asset value per share had moved up from 320.3p to 343.2p. Gross revenue increased from £1.74m to £1.98m. Revenue balance came to £1.75m (£1.57m) and tax was £560,000 (£491,000).

## Mid Wynd ahead

Mid Wynd International Invest-ment Trust increased its net asset value to 184.2p at end-1985, asset value to 184.2p at end-1895, against 173.1p a year earlier and 177.1p at end-June 1985. Its net revenue for the half-year to December 31 amounted to £57,000 against £38,000.

The interim dividend is raised to 1p (0.9p), and the directors expect to be able to recommend an increase on last year's final

an increase on last year's final of 1.25p. Stated earnings are ahead from 0.75p to 1.14p but earnings for the second half are expected to show little change from last time.

NOTICE IS HEREBY GIVEN that Petition was on the 10th day January 1986 presented to 1 Majesty's High Court of Justice 10th a sanctioning of a Scheme the above-named Company from t14,040,000 to £4,683,369.40 by cancelling paid up capital to the extent of 90p in respect of each issued Ordinary Share of £1 and cancelling capital to the extent of 50p in respect of each Cumuletive Participating Preferred Ordinary Share of £1 whether issued or unissued and (c) the confirmation of the reduction of the Share Premium Account of the company from Account of the company from Account of the Company from Account of the EMPAND NOTICE IS FURTHER GIVEN HALD NOTICE IS FURTHER GIVEN that the said Scheme of Arrangement. AND NOTICE IS FURTHER GIVEN that the said Patition is directed to be heard before the Honourable Mr. Justice Herman at the Royal Courts of Justice, Strand, London WC2 on Monday the 24th day of February 1998. Any Creditor or Shareholder or Loan Stockholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of capital and share premium account should appear at the time of the hearing in person or by Counsel for that purpose. A copy of the said Petrion will be furnished to any such person requiring the same by the undermentioned solicitors on payment of the regulated charge for the same.

# Over \$3m

This was announced yesterday along with a second set of interim results—the company has changed its year end—showing a profit of £101,000 against a previous loss of £89,000. The figures are not fully comparable, as those for the year ended January 31 1985 take in the group's previous activities, and are set against the outcome for the 11-month period to December

The properties, in Chelsea, Enfield, Liverpool and South Shields, are to be purchased from City of Westminster Assur-

red in previous years.

During the fourth quarter,
Cameo purchased the operating
assets of Coll Tubing and Nitro-

## Record profits for

BTR Hopkins, the Australian-based financial services sub-sidiary of BTR, has announced record pre-tax profits of A\$46.49m (£23m) for 1985, against a previous A\$16.48m.

The directors, who are proposing a one-for-two scrip issue, have lifted the total dividend to

£259,000 to £227,000.

After a reduced tax charge, however, earnings are again 2.47p and, reflecting the directors' confidence in the future, the interim dividend is being lifted by 10 per cent, to 0.46p Mr Geoffrey Simon, the chairman, says turnover—ahead from £2.84m to £3.17m—and gross profitability have shown continued growth with thriving sales of Leaderflush specialised doors and doorsets. But the initial and essential expense of developing Leaderflush Projects—set up to irstal the group's products—is being charged against profits and took some £52,000 in the first half. they are up from £12,000 to £40,000—are the results of a deliberate policy of recent capital expenditure on new offices, factory extensions, plant and

#### Yeoman Trust

From earnings per share of

#### Trust of Property

Net asset value per 5p share of Trust of Property Shares was 42.91p at December 31 1985, 42.91p at December 31 1985, against 30.95p a year earlier. Net revenue for the year improved by 18 per cent from £26.857 to £31,703.

The directors of the investment trust are lifting the single dividend by 25 per cent to 0.5p, which will absorb £30,000. Net earnings are shown up from 0.448p to 0.528p.

Tax took £14.369 (£12,836).

#### Legal Notices

Clubs 5

## Caird spends £1.6m on property side

A. Caird & Sons, the Scottish property and investment company, is to pay £1.6m cash for four investment properties in the London area and the north.

The purchase is further evidence of Caird's move away.

facilities.

The purchase is further evidence of Caird's move away from its previous activities of retailing and food distribution. It returned the a Stock Exchange listing last June having shed these problem areas, and now proposes to adopt new articles of association, so that they are in line with modern practice. This motion, and the intended acquisition, will be put to an extraordinary meeting.

In addition, Caird is also proposing a reduction of capital in order to eliminate the adverse balance on distributable reserves

The properties, in Chelsea, corder to eliminate the adverse balance on distributable reserves and company, and are part of a larger portfolio of nine properties, and have an annual rent roll of £151,000. The rest are to be bought by Grand Central Investment Holdinga.

Caird believes that the two properties in London offer good prospects for capital growth and those in the north will be held south the company retained profits of £16,000 (£55,000 loss). Earnings per share are stated at 2.2p (loss June 30.

## **Grand Central's new look**

Grand Central Investment of 25p each on a pre-for-three coldings vesterday gave details basis. The placing it conditional Holdings yesterday gave details of a new strategy which it hopes of a new strategy which it hopes will revitalise the group by establishing and developing plantation interests in the Far East and the Pacific basin.

It is to join with A. Caird in purchasing a portfolio of investment properties from City of Westminster Assurance Company, for a consideration equivalent to £2.58m. Annual rents currently total £193.000. The properties and sterling deposits, the company would be well placed to pursue is wider objectives.

The company also announced yesterday that it had received approval from the Sr Lankan authorities for the remittance of around £1.07m in compensation for the nationalisation of the properties going through a extraordinary meeting.

Mr Ishwar Nahopan, the chairman, said that be establishing a sound asset blee of UK properties and sterling deposits, the company would be well placed to pursue is wider objectives.

The company also announced approval from the Sr Lankan authorities for the remittance of around £1.07m in compensation for the nationalisation of the properties and serving. Westminster Assurance Company, for a consideration equivalent to £2.58m. Annual rents currently total £193,000. The purchase will be satisfied by the issue of 10.31m new ordinary shares, of which 9.31m will be placed through the market by Laurence, Prust and Merrill Lynch International.

Existing shareholders can apply for up to 4.91m of the new share at the placing price

basis. The placing il conditional on the acquisition of the proper-

## **Better** trend at Robert Lowe

SECOND HALF profits of £131,000 have given the Robert H. Lowe group of clothing manufacturers a total of £251,000 for the year ended October 31 1983. compared

There was some improvement in demand in the textile and clothing industry, but the main factor in the better result was the implementation of the internal reorganisation plans, the directors explain. They say higher operating targets have been adopted and the rising trend in performance should continue through 1986. should continue through 1986.
At the interim stage of the current year the directors will re-examine the possibility of paying ordinary dividends—the final for 1981-82 was the last shareholders received. The payment of preference dividends was restored in 1985 and the arrears cleared, but to conserve resources the directors have decided against any ordinary payment.

payment.
Sales in 1984-85 improved from £7.95m to £8.16m, and there was a £471,000 turnround to a net operating profit of £361.000 (£99.000). Earnings come through at 7.76p (loss 6.65p) per share.

With increased emphasis on design and marketing, the direc-tors expect sales volumes to grow and so justify increased production facilities. Schemes production facilities. Schemes are currently under review to make sure that additional financial resources will be available, but at the moment finding arrangements are adequate to sustain current trading levels.

There are extraordinary charges for the year of £48,000 (£431,000) which cover payments for compensation and redundancies, and incorporate settlement of the severance claim by the former chairman.

NOTICE OF REDEMPTON

To the Holders of

#### WESTPAC BANKING CORPORATION

12%% Subordinated Bonds de 1992

NOTICE IS HEREBY GIVEN that, pursuant to the provisies of the Trust Deed dated January 31, 1985, \$3,000,000 principal amount of the above describe Bonds has been selected for redemption on March 17, 1986 at a redemption price of 101% of the principal amount thereof, together with accrued interest to said date, as follows:

On March 17, 1980, the Bonds designated above will become due and payable as aforested in such coin or currency of the United States of America as at the time of payment shall be legal tender for public and private debts. The said Bonds will be paid, upon presentation and surrender thereof with coupons due January 31, 1987 and subsequent elttached, at the option of the holders subject to applicable laws and regulations, at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt (Main) or London, or Krediethank S.A. Luxembourgeoise in Luxembourgeoise in Resle. Payments at the offices referred to above will be made by a check drawn on, or by a transfer to, a United States dollar account maintained by the payee with a bank in New York City. Any payment made by transfer to an account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service (IRS) and to backup withholding of 20% of the gross proceeds if payees who are not recognized as exempt recipients fail to provide the paying agent with an executed IRS Form W-8, certifying under penalties of perjury that the payee is not a United States person or an executed IRS Form W-9, certifying under penalties of perjury the payee is not a United States person or an executed IRS Form W-9, certifying under penalties of perjury the payee is not a United States person or an executed IRS Form W-9, certifying under penalties of perjury the payee is not a United States person or an executed IRS form W-9, certifying under penalties of perjury the payee is not a United States person or an executed IRS form W-9 and who fail to do so may also be subject to a penalty of \$50. Please therefore provide the appropriate certification when presenting your securities for payment.

On and after March 17, 1986 interest shall cease to accrue on the Bonds herein designated for redemption.

Dated: February 14, 1986

WESTPAC BANKING CORPORATION

on the know-how that EMS has

gained throughout the world. That's

plants, all designed and realized by us, in all 5 continents of the world.

fibres is manufactured in these plants,

know that engineering means safety

If you're involved in industrial

production anywhere in the world.

or if you build industrial plants or

even if you want to operate more

economically, then we're just the

A large part of the world's produc-

tion of polyamide and polyester

as well as other synthetic fibres.

They're built for companies who

and reliability as well as modern

technology.

why we have over 180 manufacturing

all over the world as we've got bases

as a Swiss chemical and engineering

company, we can guarantee you

the very best in quality, reliability,

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CH-7013 Domat/Ems

#### FT COMMERCIAL LAW REPORTS

## Evidence based on unofficial samples to be considered by Gafta arbitrators

CHARLES E FORD V Queen's Bench Division (Com-mercial Court): Mr Justice Bingham: February 12 1986

Robert

 $\{A\}\{0\}$ 

COMPREHENSIVE contrac-tual provisions for the official analysis of samples to ascertain whether cargo com-piles with contract descrip-tion do not, in the absence of clear words, exclude the buyer's right when asserting non-compilance or upwernon-compliance or unmer-chantability, to adduce evidence based on samples taken other than in accor-dance with the prescribed

procedure. Mr Justice Bingham so held Mr. Justice Bingham so held when giving judgment for Charles E. Ford, buyers of cargo, on an appeal from a decision of the Beard of Appeal of the Grain and Feed Trade Association (Gafta) that evidence based on anofficial semples was not admissible in an arbitration claim by sellers, A Fee Inc.
Clause 17 of Gafta form 102 provides: "(a) Samples of each partel shall be drawn... jointly by sellers and buyers or their representatives. If one party refuses to draw... the other... shall be entitled to request... the appointment of a substitute in accordance with the custom of the port or by application to the competent authority... (c) If required by buyers samples... shall. be deconstebed to the official analysis.

samples . . . shall . . be despatched to the official analysts of the Grain and Feed Trade Association for analysis . . "

HIS LORDSHIP said that by a contract dated May 1 1984 the sellers soid 1,200 metric tons of US ground toasted soyabeans, payment to be cash against documents. The contract was in the Gafta form No. 102 the Gafta form No 102.

The vessel arrived at Avonmouth on May 45 1984. The buyers noticed small pink and red particles among the bulk stow. They drew a sample on which they refused to take up and pay 50° the documents. It was said the goods were over-

was said the goods were over-Official samples also were taken during discharge for analysis by Gafta's official analysts. An official certificate was issued certifying that moisture, oil, protein and ash met the contractual percentages but no

or degree of toasting.

The sellers pressed for payment. The buyers asked for time to see the official analysis. No compromise was achieved and arbitrators were appointed.

The Gafta Board of Appeal, reaching the same conclusion as the first tier arbitration, excluded evidence based on the unofficial samples. It held that the samples were taken other than in accordance with the prescribed contractual procedure and were therefore inadmissible.

On the present appeal the sole

in time (17(h)).

If a second certificate was duly applied for and obtained, the mean of the two certificates was to be final unless the variation between them was more than one between them was more than one half per cent and one party and sent samples for a third analysis within the time limit (17(d) (e) and (h)).

If a third certificate was obtained the mean of the two analyses closest to each other was to be final and binding on both (17(e)).

That seemed a decisive

That seemed a decisive, reasonably quick and relatively inexpensive way of determining

Solution to Puzzle No 5,947.

Solution to Puzzle No 5,947.

UTSHOP GABLIGHTED

A A COMBRIDAL GLARINET

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with contract percentages.

But if the goods turned out to be contaminated by a dangerous foreign substance of which the buyer was initially unaware, he might have no cause to call for an analysis under 17(c). Even if he did call for an analysis he was unlikely to instruct the analyst under 17(f) to test for the unsuspected contaminant.

so read, to render inadmissible evidence derived from samples taken in accordance with 17(a)?

The draftsman could very easily have provided, had he wished, that in any arbitration proceedings no evidence should be admissible if based on samples taken otherwise than in accordance with 17(a), but he

the first tier arbitration, excluded evidence based on the unofficial samples. It held that the samples were taken other than in accordance with the prescribed contractual procedure and were therefore inadmissible.

On the present appeal the sole question for decision concerned the admissibility of that evidence.

It was agreed that if a buyer under Garia 102 claimed to reject goods because they did not comply with contractural percentages, the parties' rights were strictly and exclusively governed by the procedure stipulated in clause 17.

The taking of joint samples under 17(a) was mandatory and the process could not be effectively obstructed by either party's failure to co-operate. The sampling procedure itself was governed by detailed provisions in form 121.

Was unlikely to instruct the form the unsuspected contaminant.

Was he thereafter to be debarred from adducing evidence of the contaminant in support of a claim to reject the goods or for damages?

That was the goods or for damages?

That was the form decision concerned the contaminant in support of a claim to reject the goods or for damages?

That was the furcestion in the court refers the court refers the court refers the goods or for damages?

The take agreed that if a buyer that the parties were free to require the process could not be effectively obstructed by either party's failure to co-operate. The sampling procedure itself was governed by detailed provisions in form 121.

Whether any of the samples was to be analysed depended in accordance with 17(a) but he debarred from adducing evidence on the unsuspected contaminant.

Was he thereafter to be debarred from adducing evidence of the contaminant in support of a claim to reject the goods or for damages?

That was the question in the court refers the samples was prohibited but that the drawing of any other samples was prohibited to him, should not have to think of a convincing reason to think of a convincing reason to think of a convincing reason to think of a conviction of the limit of the court

might prove it by another kind of evidence. Lord Diplock said: "The impli-

In describing the sampling of the goods as mandatory the court merely meant that that was a procedure which had to be carried out, and it was not concerned to consider whether samples could properly be taken in any other way or the use that could be made of them if they were.

So the present question must be resolved on the wording of the clause read in the context of the contract as a whole and the surrounding circumstances.

Was the effect of the clause

governed by detailed provisions in form 121.

Whether any of the samples was to be analysed depended in the first: instance on the decision of the buyer (17(c)). If said that if the contract was to not decided to take a chance he was later debarred from doing so (17(g)).

The clause did not expressly provide that the first certificate was to be final if a second analysis, but that was a necessary implication. The first certificate was to be final if a second analysis was not applied for or in time (17(h)).

In the first certificate was duly in further samples were not sent in time (17(h)).

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In the first certificate was duly in further samples were not sent in time (17(h)).

In the first certificate was duly in the sample of the interval of the legitimacy of taking a private was a make of it if taken.

In the first instance on the cation appears . . not merely nunecessary but contract was to modify common law remedies or to show a buyer was entitled to the evidence ordinarily admissible evidence ordinarily admissible to show a buyer was entitled to the evidence ordinarily admissible to show a buyer was entitled to reject goods as not correspond in gwith contractual description or a nunerchantable, and the need for strict construction of a clause said to have that effect, for this is a field in which the courts slowness to find an implication of that kind, the sellers: construction of the clause could not be attached to the evidence or or ing with contractual description or a nunerchantable, and the need for strict construction of a clause said to have that effect, for this is a field in which the courts slowness to find an implication of that kind, the sellers consideration along the vidence.

In the first cartificate was duly the first contract was to be final

The appeal was allowed.

For the sellers: Christopher

Corbet Russell (Hill, Dickinson
and Co.).

For the buyers: Mark Hone

By Rachel Davies

in volume form with the full texts of judgments. For details contact Kluwer Law Publishing, Africa House, 68 Kingsway, London WC2B 6BD. Phone: 01-831 0391.



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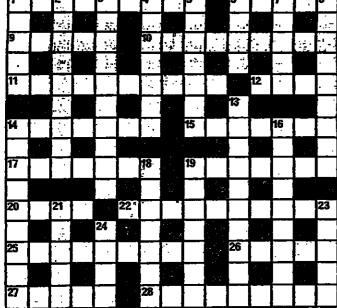
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## F.T. CROSSWORD PUZZLE No. 5,948



**ACROSS** 

1 The one who shines in an astronomy class? (4.5)
6 A colour I call different! (5)
9 Two redheads ring in after Elizabeth makes a bloomer

10 Nag girl into returning duty list to an air-crew member

11 What they sell here is still

11 What they sell here is still produced (10)
12 Part of two articles the soldiers brought in (4).
14 Are not secretive about being holy (7)
15 Treachery for which there's a third-rate motive (7)
17 Uncle started troublesome engine brought round by someone inexperienced (7).
18 Type on form C " in power"

19 Type on form C "in power"

20 Holly, 10, and Samuel's teacher are back (4) 22 The revolutionary agrees I must stand behind people, making beastly collections

(10) 25 Having a screw that's not big enough? (9)
26 This bird always returns around the start of Easter

27 Stagger left by the old city church (5)
28 The man involved, seated outside, will be judged (9) DOWN

1 Way up river on a horse (5)
2 Makes a telephone call about the others striking (9)
3 Incessantly repeated: "Shut

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**APPOINTMENTS** 

## **Great Portland** Estates changes

Mr Basil Sammel, who has quarters in Hartford, Connecti-been chairman of GREAT PORT- cut, US, as senior vice president, LAND ESTATES since it became international. LAND ESTATES since it became public in 1959, has decided to relinquish the executive chairmanship. He has been appointed the first president and will remain a non-executive director. Mr Richard Peskin, deputy chairman and managing director, has become chairman and managing director. Mr Sidney Buchman has been appointed deputy chairman. has been a chairman.

Mr Phillip Warren, formerly executive director of the Welsh Development Agency, is to join the board of W. S. ATKINS & PARTNERS (WALES) as a nonxecutive director.

Mr L. A. Grosbard has Mr L. A. Grosbard has resigned as managing director and Mr D. A. Sugden as director and secretary of SPEAR & JACKSON INTERNATIONAL. Mr Caris Harrison has been appointed a director and Mr Neville Peel director and secretary. This, follows the acquisition of Spear & Jackson International by James Neill Holdings, of which Mr Harrison and Mr Peel are executive directors. up about sister being dif-ferent" (10) 4 Could be a fine kick after a foul (7) 5 Hare left the day before, the soldiers last night (7)
6 Records obtained form a

6 Records obtained form a trunk, possibly? (4)
7 Dead right, subsequently (5)
8 Without doubt I can rely on cooking the turnip top inside — (9)
13 —an instrument which boils Mr Geoffrey Moore has been appointed assistant director (petroleum purchasing) as part of a reorganisation in the management structure of the petroleum purchasing department at BRITISH GAS headquarters. This new post is concerned with policy formation and financial appraisal as back-up to the negotiating teams, and with the co-ordination of the petroleum purchasing department's work with other parts of the industry. Mr Moore was manager (policy and co-ordination). Mr Brian Thornley has been appointed personnel controller with responsibility for industrial relations, recruitment, training, management, develop-Mr Geoffrey Moore has been (d— odd!) (10)

14 Religious liar is put out (9)

16 Aware many inside will show emotion (9)

18 Promote the Spanish girl in 18 Promote the Spanish girl in France and return (7)

19 Check the record first, standing up when there's a round of applause (7)

21 One way to ride plastic duck! (5).

22 Quietly show the children around, but go too fast (5)

24 Mischievous soldiers turn on the central heating (4) industrial relations, recruiment, training, management, development, manpower and remuneration planning and control at headquarters. He was personnel manager with British Gas South Eastern.

PRIMECUT FOODS. Kettering. has appointed Mr W. B. (Bill) Wright as managing director. He succeeds his father, Mr Bernard Wright, who becomes executive chairman. Bill Wright was marketing director and is the current president of the British Frozen Food Federation.

Mr Ron Sibtharpe has joined CANNON ASSURANCE as head of administration. He was with Sun Life Unit Services. SIGMA RESOURCES has appointed Mr Ian Clark as its chairman. He joins from Britoll' where he was joint managing director.

HEUBLEIN INC (proprietor of Smirnoff vodka) has appointed Mr Jeremy J. Collis as vice president for the Europe, Middle East and Africa region, based in London. He was finance director for the region. His predecessor, Mr Bill Seawright, returns to Heublein's head-

COVENTRY MOTOR & SUN-DRIES CO has appointed Sir Ian Wallace as a main board director. He was a director of Massey-Ferguson Holdings.

Mr Kevin Garvey has been appointed head of financial control and business development division of COUTTS & CO. He has also been appointed an associate director of the bank.

Mr Thomas Collin has joined the heard of the NCOTTE.

the board of the NORTH-OF ENGLAND BUILDING SOCIETY. He was a manager in Barclays Bank, Fawcett Street, Sunderland.

Mr David Lucas has been made managing director of the new independent radio station, OCEAN SOUND, which is due to start broadcasting to Portsmouth and Southampton in October. He is currently managing director of Guildford's commercial radio station County

Mr J. G. Edwards has been appointed comercial director of BACOL INDUSTRIES, a Metalrax Group company. He is cur-rently responsible for work study, production planning and control, purchasing and related functions.

ERICSSON INFORMATION SYSTEMS has appointed Mr John Steldon as controller and director of finance, responsible for financial and management aspects of the various divisions of the company. Before joining Ericsson, Mr Sheldon worked for three years with Standard Motorists Centres, where he was finance director.

Mr Derek Taylor, a director with the National Nuclear Corporation, has joined the SIZE-WELL. "B" PROJECT MANAGE-MENT BOARD, succeeding Mr Tony Wicks, who has retired. Mr Taylor is one of two NNC representatives on the six-man board which is responsible for the design and, if it goes ahead, construction of Britain's first pressurised water reactor (PWR) power station proposed by the Central Electricity Generating Board. He will have particular interest in nuclear safety, design and engineering matters.

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and engineering matters.

Mr Roy Stew, formerly marketing director, has been appointed to the board of COMPUTATIONS STRUCTURED SYSTEMS as managing director. Mr Steve Tootill moves into the post of director, software from his position of associate director. Both Mr Stew and Mr Tootill were founder members of Computations Structured Systems, Computations, wholly-owned UK substidiary.

Mr Ray Hewitt has been appointed managing director of KAYE (PRESTEIGNE). He was previously director and general manager of Wolverhampton Die

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High Low 95.29 86.50 92.00 97.60 92.75 91.00 91.00 92.75 91.00 92.75

## **Sackings** hit Impala platinum output

By Stefan Wagstyl

IMPALA PLATINUM, South Africa's and the world's second run into difficulties replacing the 23,000 workers—two-thirds of the payroll—sacked after a strike in January.

Officials of Gencor, the South African mining and industrial group which has a 43 per cent stake in Impala, said yesterday that although there were no fundamental difficulties, recruitment was taking longer than had ben expected. Processing and training new workers and putting them into teams was

The officials admitted that Impala was losing production but dismissed a suggestion by London stockbroker L. Messel, part of the Shearson Lehman Brothers group, that, at worst, Impala could lose 300,000 ounces of platinum in 1986, or nearly one third of normal output.

L. Messel said in its weekly lessel Minuing Review that since Impala's mines were in the Bophuthatswana "home-land" 65 per cent of the workforce had to be Tswana people.
And since there was only a
small pool of experienced
Tswanas it would take a considerable amount of time before enough suitable replacements

The broker does not expect Impala to reach full production again until July and warns there could be an enormous squeeze in the platinum market over the next six months. World supply last year amounted to some 2.9m ounces.

 CHINA'S National Nonfer rous Metals Import and Export Corporation has given export orders to two Japanese firms to help build a 100,000 tonnes a help build a 100,000 tonnes a year zinc refinery in the Xibei non-ferrous metals complex in Lanzhou City, Gansu Province, reports Reuter from Tokyo. The two companies, Mitsui Mining and Smelting Company and Teho Zinc Compyan, said work on the refinery, which will also produce 200,000 tonnes a year of sulphuric acid, will begin early next year and should be completed in July, 1988.

TECK Corporation and Amax are to suspend operations indefinitely from April 14 at the Daniel's Harbour, Newfoundland, zinc mine because it cannot operate profitably at current market prices. Teck, which owns 63 per cent of the mine, said it had at least two years of reserves remaining but reopening would depend on zinc prices recovery and possible steps to reduce operating costs. The mine produced 40,000 tonnes of zinc in 1984, the last

available. COMALCO of Australia said it had understated its 1985 primary aluminium production by 27,000 tonnes in annual figures issued on January 24. The correct figures is 435,781 tunnes, up from 320,016 in 1984.

 AUSTRALIAN, Brazil, Cuba AUSTRALIAN, Brazil, Cuba and the EEC, the world's four biggest sugar exporters, will hold talks on the possibility of negotiating on International Sugar Agreement with economic provisions in London on February 20. The present pact, which started in January, 1985, has no price stabilisation provisions.

figures in the international min-

ing industry underline the priority given by base metals producers to cost-cutting in re-

sponding to depressed metal prices since 1981. In the short

sure their survival but cost-cutting alone is self-defeating

when adopted by a mining indu-

try where the fundamental problem is excess capacity.

Reducing costs keeps in produc-tion mines which would other-wise have closed. Thus it per-petuates excess capacity, which

helps to keep prices low.
While competing fiercely with

each other to reduce production

costs, the producers of base metals have tended to ignore the fact that they also face

severe competition from other metals and industrial materials.

For example, plastics compete

plumbing and drainage pipes;

In each case, price alone does not determine the choice of

with aluminium in window which frames, and with copper in keted.

## W German scrap dealer files for bankruptcy

BY STEFAN WAGSTYL

the European metals market.

On the London Metal Exchange, copper dealers said DM 500m (£212m) a year that trading has been nervous trading extensively in non-since news that Zieringer had ferrons scrap throughout West true into financial difficulties Germany and abroad. run into financial difficulties filtered out late last week. It is understood that LME traders dealing with the West German company liquidated contracts for some 12.000 tonnes of copper — worth about £12m — on its be-

ANDREAS ZIERINGER Metal- each other. In Hamburg one company had started negotia-huette, Metallgrosshandel, a leading trader said that Zierin- tion with its bankers so as to leading West German scrap ger had run into difficulties avoid filing for bankruptcy. It ferrons scrap throughout West Germany and abroad.

Mr Hans Zieringer, the company's owner, whose father founded the business, was unavailable for comment yester-

metal merchant specialising in after another company had exis clear that Zieringer was un-copper, has filed for bankruptcy, perienced trouble meeting its able to file for a court super-sending shock waves through trading obligations. Zieringer, vised bankruptcy, or Vergleich, vised bankruptcy, or Vergleich, under which a company agrees to pay off 35 per cent of its debts and creditors write off the

The Zieringer collapse comes at the worst possible time for the LME, which is already suffering a heavy fall in broker-age income as a result of the vallable for comment yestertay.

A judge at the district court

Rensheim is to decide probhalf.

IME trading were trying yesterday to assess the impact of the bankruptcy on other West German metals companies, which like merchants everywhere often trade heavily with a day when Mr Zieringer said his directly caused substantial losses at any LME ring-dealing member, the exchange could ill afford a big loss of confidence among West German merchants, who are among its most important customers.

## Heinold commodities to be sold

ANOTHER MOVE in the recent Heinold Cattle Markets, and spate of mergers and acquisi-tions in the US futures industry Chicago Mercantile Exchange's

business concern based in Dekalb, Illinois, said negotiations are underway with Con-igra, a commodities and food

company based in Omaha, Nebraska, and that a deal should be concluded "in the Heinold, one of the largest specialist commodities and futures brokerages in the US, employs more than 800 staff, including 450 brokers, in 119 offices in the US and Western Europe. It is a member of 22 averbagges.

The company was established in 1948, originally as two separate companies with close links

BY ANDREW GOWERS AND A SPECIAL CORRESPONDENT IN CHICAGO

tions in the US futures industry emerged yesterday, with the announcement that Heinold Commodities, the large interaational commodity and futures trading subsidiary of Dekalb trading subsidiary of Dekalb trading subsidiary of Dekalb that the carry and agribusiness concern based in Colbabb Illingis said negotiations. Last year, the volume in finan-cial contracts overtook activity

> executives. The possible sale follows the purchase by Refco, the fast-expanding Chicago brokerage group, of Donaidson Lufkin Jeangroup, of Donaidson Lufkin Jeanrette's futures subsidiary, DLJ
> Futures, last summer, and of
> Continental Grain's Conticommodities operation the previous
> year. Both led to substantial
> numbers of lay-offs in the companies concerned.
>
> prices. But Mr John Stafford,
> yeic-president of finance for
> Dekalb, declined to specify to
> what use the proceeds of the
> sale would be put. The sale
> represented "a reallocation of a
> minor part of our balance
> sheet," he said.

with farmers, Heinold Hog and be "a good fit" with its existing said.

crop insurance, governments spend hundreds of millions of

Most of the benefits have

accrued to large-scale prosper-

ous farmers, and in some cases,

compulsory crop insurance has

actually reduced farm output

and increased consumer prices,

In Japan, mandatory crop insurance for nice is reckoned to have added about 71,000 tonnes to a supply that already exceeded total domestic needs.

\* Crop insurance for agricul-

tural development: issues and

The total income of all the

the total income of all the copper development associations in 1985 was only \$8.25m; the US association accounted for more than half of that total, and faces a 40 per cent cut in income in 1986. Incra's budget

was \$2.45m in 1985; it will restrict the cut in expenditure

this year to 25 per cent only by using up all its cash re-serves. The copper industry's investment in marketing and

research through these organisations in 1985 was about 0.1 per cent of the total value of sales of refined copper; in 1986 it will be even less. In market-led industries such as plastics or wood, the comparable figure

or wool, the comparable figure would be between 3 and 5 per

The decline in investment in

marketing is no sudden re-sponse to recession; it has been

continuous for the past 12 years

promoted by producers and fabricators collectively, but it is hard to achieve that collec-

tive action because the struc-

ture of the copper industry has

changed radically. The degree of integration between mining, smelting and fabricating is

decreasing. The industry is becoming more fragmented: the

largest miner, Codelco of Chile,

has 16 per cent of world output, but most other major ones have

less than 5 per cent. The in-dustry is also migrating away from North America towards developing countries; of the 12

largest copper miners, seven

cent of turnover.

partial exception of aluminium, at least and stems from basic have traditionally spent little on promotion and research into new applications; most mining modity means that it must be

futures business. Geldermann which does 60 per cent of its business in financial contracts. Neither company would dis cuss terms, and Conagra denied speculation that the sale would lead to a large number of layoffs at Heinold.

"Heinold will operate as an independent operating company. Rumours of large num-bers of layoffs are totally off-target and irresponsible," the company said.

in the agriculturals for the first time, according to company Dekalb, which explores for and produces oil and gas in the US and Canada, has been hit recently by the fall in energy But Mr John Stafford

Conagra said Heinold would 10 per cent of its capital, he

## Crop loss insurance a 'costly disappointment'

Christopher Stobart urges greater efforts in metals marketing

Why cutting costs is not enough

ATTEMPTS TO insure farmers ducing risks to farmers' in-around the world against loss comes," it says. "In their of crops resulting from natural efforts to promote and sustain or climatic causes have been crop insurance, governments an "expensive disappointment," according to a study just pub-dollars in subsidies each year lished by two US-based agri- to cover the difference between cultural research institutes.

The report\*, carried out under the auspices of the International Food Policy Research Institute and the International Food Policy Research Institutes.

American Institute for Cooperation on Agriculture, concludes that by any measure of economic costs and benefits, They have required substan- it adds. tial subsidies, and the objec-tives of increased production and stabilised farm incomes have been achieved—if at all only at substantial government costs which have mostly surpassed the value of any benefits.

"These programmes are sup-experience; edited by Peter posed to encourage more Hasell, Carlos Pomareda and modern, efficient and expanded Alberto Valdes; Johns Hopkins agricultural production by re- University Press.

"I believe that the future metal products. Instead, the to commission research de-belongs to the low-cost pro-materials which expand their signed to assist the consumption ducer. To Amax, this means markets or win new ones are of copper.

markets or win new ones are the ones whose producers invest

time when the industries that consume these materials world-

wide (such as construction, transport or power transmis-

sion) are growing slowly, if at all. Since pressure on profit margins alone has not elimi-

nated excess metal capacity, cost-cutting should be supple-

larging (or at least protecting)

The mining industry accepts this concept in theory, but in practice most companies are

doing quite the opposite. Producers of base metals, with the

companies now regard even that small expenditure as another cost that can be cut. The result is that end-use mar-

kets for base metals are being consistently lost to alternative materials (notably plastics) which are more effectively mar-

The copper industry provides

tors support development asso-ciations in 19 countries; their

mand This had not happened; it ducers also finance the Inter-has not even halted the trend national Copper Research Asso-towards the miniaturisation of ciation (Incra), whose task is producers, which once domi-

concentrating on resources and technology where we can be in the lowest quartile of world production costs "—Mr Allen Born, chief executive, Amax.

"The entire industry has managed some spectacular, if often temporary, cost reductions"—Sir Alistair Frame, chairman, Rio Tinto-Zinc.

These comments from leading figures in the international min-

term, this policy may be the cost-cutting should be supple-only way for companies to en-mented by investment in en-

optic fibres compete with cop-per in telecommunication neglect of marketing. Various cables. copper producers and fabrica-

materials; if that was so, de-pressed metal prices would have end-use markets for copper, and given a powerful boost to de-promote new ones. Some pro-

## facing foreclosure

IT IS the beginning of the end for thousands of US farmers who are now receiving letters dollars in subsidies each year

> tor's "lender of last resort." It holds \$28bn of the nation's estimated \$210bn agriculture debt, and it is preparing to col-lect \$5.8bn from 65,000 of the most severely delinquent far-

sending notices to all borrowers behind in their payments by more than one year and \$100. About 27,000 farmers who are more than three years behind in their payments are con-

the largest contributions to the

co-operative marketing of copper. This year's cuts show

that they are no longer willing to subsidise competitors who

contribute little of nothing. Other companies are reluctant to support co-operative market-ing organisations because they doubt the effectivenes of their

work or cannot see a direct return for money spent in this

One initiative now under way stems from Rio Tinto-Zinc and the West German fabricator, Kabelmetal, with support from

Codelco. Designs have been commissioned for an advertising campaign to improve the image of copper in Europe. The cam-

paign itself is not yet financed, however, and there are doubts over its benefits to the industry

without much stronger develop-

However, this proposal is likely to be implemented so long as third world producers remain reluctant to replace the US as the major source of

finance. Codelco makes a modest

contribution, but attempts to increase this are currently blocked at the highest level. Gecamines, in Zaire, faces a

similar obstacle and ZCCM, in

among these and other pro-

ducers and consumers of copper, their metal will con-

tinue to lose ground against competing materials, and the profitability of copper producers wil remain under pressure from persistently low prices.

Christopher Stobart is a

ment associations to capitalise

upon its impact.

## **US** farmers

from the Department of Agri-culture's Farmers Home Administration asking them to renegotiate their debts or face

Many, however, will really have a choice. The far-mer's Home Loan is the sec-

The agency announced in December that it would be sidered likely to fail. The rest may have their loans re-scheduled if it seems likely they can repay new debts.

#### LONDON **MARKETS**

COFFEE prices fell sharply

on the London futures mar-ket yesterday as traders continued to follow the trend in New York. The May position closed at £2,437.59 a toune, adding £81.50 to Wednesday's £47.50 fall, which had marked the end of a £310 rally from the low reached on Wednes-day of last week. Prices were steady in the morning, but in very thin business. And New York's failure to rise on the reopening signalled a new wave of selling. Traders said the London coffee market had been looking slightly "top heavy" and overdue for a downward technical correction. But they noted that pro-ducers still appeared unwilling to sell at these prices and saw the decline of the last two days as temporary. Funda-mentals remain strongly bullmentals remain strongly bullish in the medium to longer term, they said, especially with the Brazilian frost sea-son coming ever nearer. LME prices supplied by Amalgamated Metal Trading.

| UMINIUM   | Lead Cash  |
|---|--|
| Unofficial + or close(p.m.) — High/low  | Free Mkt   |
| 782-3 + .5 782<br>sths 810-1 + 1.25 (811/806  | Silver troy oz415.80p; -2.55<br>5 months425.75p; -3.25<br>Tin cash           |
| cial closing (am): Cash 782-3<br>1), three months 810-5 (802-5),<br>ment 783 (774), Final Kerb closs: | Tungsten \$65/62<br>Wolfram 22.61b. \$66/63<br>Zinc £417<br>3 months £487.76 |

|  | • •                  |            |                  |
|--|----------------------|------------|------------------|
| Higher grade   | Unoffic'i<br>close   | +01        | High/low         |
| Cash<br>8 months   | 9835<br>1011_5-2     | +.75<br>+2 | 984<br>1915/1005 |
| Official clo<br>(9795), thre<br>8.5), settler<br>Kerb close: | e months<br>sent 984 | 1,010-     | .5 (1,007.5      |
| Cathodes 1   |                      |            | ļ.               |

Cash 9714 +3.5 3 months 1004-7 +4.5 Official closing (am): Cash 970-2 (965-8), three month 1.003-5 (993-1,002), settlement 972 (968). Turnover: 37.925 tonnes. US Producer prices 68-

#### LEAD

|                           | Close(p,n                        | tonne                                       | Highnow   |
|---------------------------|----------------------------------|---|---|
| Cash<br>3 11 nths         | 258-,5<br>268-,5                 | +.75<br>+.75                                | 258,5/258<br>-269,25/267,5                                      |
| (257-8), 1<br>.5), settle | bree mo<br>ment 259<br>.5-8. Tun | nths 269<br>(258).<br>10 <del>ver:</del> 17 | Cash 258-9<br>255 (267-<br>Final Kerb<br>,350 tonnes,<br>pound, |

#### NICKEI

| NICK                      | - <b>-</b>   |                                 |
|---------------------------|--|---------------------------------|
| _                         | Unofficial -<br>close(p.m.)<br>£ per mont                        | High/low                        |
| Cash<br>3 months          | 2760-5 + 14<br>2860-5 + 15                                       |                                 |
| (2,731-5),<br>5), settier | closing (em):<br>three months a<br>nent 2,770 (2<br>c; 2,820-30. | 2,840-5 (2,800-<br>,735), Final |
| ZINC                      |  |                                 |
| Kilâp<br>-                | Unofficial -   | or :                            |

| ZINC                | ;                                    |        |                      |
|---------------------|--------------------------------------|--------|----------------------|
| igh<br>rade         | Unofficial<br>close(p.m.)<br>£ per m | +or    | :<br>{High /low<br>} |
| psh<br>months       | 416-8<br>487,5-8                     | 4<br>1 | 416<br>439.5/486     |
| ΛΕ <sub>σ</sub> ία! | elecine (e                           | -1: C  | eb 415.6             |

Official closing (am): Cash 410-6 (415.5-6), three months 428-5 (424.5), settlement 418 (416). Final Kerb close: 429-29.5. Turnover: 6,200 tonnes. US Prime Western: 30.50-35.75 cents per

## GOLD BULLION (fine ounce)

# GOLD AND PLATINUM COINS

#### SILVER

Silver was fixed 2.65p an ownce lower for spot delivery on the London buillion market yesterday at 413.8p. US cent equivalents of the fixing levels wars: spot 565.5c, down 4.6c; three-month 566.15c, down 5.15c; alx-month 508c, down 5.25c; and 12-month 508.6c, down 5.55c. The metal opened at 4167\_4183-p (580-580c), and closed at 4167\_4183-p (580-580c).

## LME-Turnover: 136 (40) lots of

## Three months high 424p, low 423p, final kerb 425-6p. MEAT

Fresh trade and speculative buying coupled with short-covering pushed pigment prices sherely higher in good volume but in the beef market values were mixed as each month tried to find its true value in relation to other months, reports Eastern Capital-CCST. Figment select 68 (18) lots of 50 carcasses. 3,250 kg.

Beef sales: 1 (11) lots of 20 sides. Similar obstacle and ZCCM, in Zambia, cannot contemplate any extra foreign expenditure. Without a new perception of the importance of marketing

p. per kilo (deadweight) 103.50 +3.80 - 103.50 +0.50 103.50 +0.50 103.50 +0.50 103.60 +0.80 103.50 +0.80 103.50 +0.80 103.50 +0.80 104.30 -0.70 100.60 +0.80 181.00 +0.50

MEAT COMMISSION—Average (atprices.

itobart is a Commodities

Commodities

Commodities

Commodities

Commodities

Commodities

Commodities

#### us markets

PRECIOÙS METALS cuine under pressure on disappointed long liquidation and overseas selling, reports Heinold Commodities. Copper and aluminium attracted scattered support from arbitrage buy-

#### MAIN PRICE CHANGES

INDICES

REUTERS

DOW JONES

FINANCIAL TIMES

Feb. 12 Feb.11 M th agolyearage

+° -° 298,8 (8ase: July 1 1952=100)

Feb. 12 Feb. 11 With ago Year ago

1837.1 1840.2 1863,1 ; 2020,0

Dow Feb. Feb Month Year Jones 12 11 ago ago

Spot 127.49 127.95 - 121.01 Fut, 128.72 129.15 - 125.16 (Base: December 31 1931 = 100)

\* Not available due to suspension of tin LME

| METALS   | 1900          | _      | <b></b>          | l |
|--|---------------|--------|------------------|---|
| Numinium<br>Free Market                        | S 11815/205   | +15    | S1225/245        | ĺ |
| Sopper   | £983.25       | +0.75  | 2998.5           | l |
| 3 mths<br>Sold Troy cz<br>.ead Cash            | 1334.75       | -1.76  | 8362             | l |
| 3 mths   | £268.25       | + 0,75 | £264,25          | l |
| ree Mkt<br>Palladium ez                        | <b>598.50</b> | I—1.76 | \$107.50         | l |
| Platinum oz<br>Quicksliver †<br>Silver troy oz | F820/230      |        | 3220/240         | ľ |
| a months<br>Sn cash                            | 425,75p       | 3.25   | 452,75p          | l |
| 3 months<br>                                   | \$65/62       |        | \$56.93          |   |
| 700172M1 22,010                                | £417          | -4     | 553/61<br>£439.5 | ı |

## OILS

| AUGUNET E | nos, reports           | rim su        | a panus.               |
|-----------|------------------------|---------------|------------------------|
| COCOA     | Yesterday's<br>Close   | + or          | Business<br>Done       |
| -         | £ per tonne            | -             | Done                   |
| laroh     | 1639-1640              | 6.0           | 1968-1695              |
| UlY       | 1645-1644<br>1671 1678 | <b>-7.6</b> 1 | 1683-1867              |
| lec       | 1700 1708<br>1785 1785 | -11.5         | 1749-1761              |
| lay       | 1765 1766<br>1783-1785 | -5.5<br>-6.0  | 1777-1761<br>1738-1787 |
| ICCO ind  | cator prices           | (ÚŠ c         | ants per               |

## Sales: 8,730 (5,911) lots of 5 tonnes. ICO Indicator prices (US carts per pound) for February 12: Comp daily 1979 195.58 (197.11): 15-day average 187.51 (187.28).

## FREIGHT FUTURES

The dry cargo market eased during to morning but recovered towards the lose due to a lack of fresh physical

## Close | High/Low | Prev. Tumover: 60 (164)

# 710/712 725/705 780/729 726/729 730/725 735/735 725/740 — 725/730 720/760 — 725/730 730/745 910 910/925 906/930 — 910/925 800,5 — 798

## GRAINS

| Baying<br>marke<br>much    | g support :<br>t in active<br>quieter<br>ned ateady | et the<br>tradii<br>While        | lows ralling. Barte       | y w      |
|----------------------------|---|----------------------------------|---------------------------|----------|
| WHEA                       |   | سماد                             |                           | RLE      |
| Moth                       | Yesterd'ys<br>close                                 |                                  | close                     | <u> </u> |
| Mar<br>May<br>July<br>Sept | 118.75<br>119.20                                    | -0,30<br>-0.20<br>-0,68<br>+0.56 | 118,40<br>116,80<br>96.75 | +0       |

support from arbitrage baying and light physical activity.
Singar traded modestly lower
on the postponement of a
Syrian buying tender. Cocoa
weakened on fresh selling
linked to the lack of cash interest. Coffee traded sharply
lower to limit-down on technical selling. Cotton moved
sharply higher to limit-up in
old crop and sharply lower in
new crop in response to the
USDA announcement of 1986
cotton programme details. The cotton programme details. The energy complex firmed on profit-taking and better cash demand in Europe.

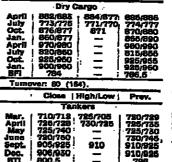
## **NEW YORK**

Feb. 13+ or Month

COCOA

'esterdy's + or Busin Close -COFFEE

news.
Limited inquiry in the physical market led to a quiet tanker market with further erosion of levels. A technical reaction seems unlikely as the uncovered position remains small, reports Clarkson Wolff.



LONDON GRAINS—Wheat: US dark northern spring no 1 15 per cent Agril/ May/June 124.50 seller transhipment east coast, US no 2 act; rad winter Mar 121.75 sellers. EC French Feb 138.50 seller. English teed tob Agril 19.50. April/June 121.50-121.00 paid

Latest High 50.30
92.00 52.00 50.30
98.85 48.85 47.20
47.00 47.10 45.90
45.90 45.90 44.90
45.90 45.90 44.70
46.60 45.90 45.90
47.50 45.70 45.30
47.80 47.80 47.35
46.60 49.50 49.60 March April May July August Sept Oct Nov Dec east coast, Fab 117.50, Mar 118.00 sallers, April/Juna 121.00 buyer. Meize: US ao 3 yellow/Franch tranship-ment east coast Mar 148.50, Barley: ment east coast Mar 148.50. Barley: English feed fob Feb 116 Scottleh, 117 English, Mar 118 Scottleh, 118.50 English, April/May/June 122, first-helf Aug 97.50 sallers, Oct/Dec 102 buyer. Rest unquoted.

Oct 373.4 Dec 278.4 HEATING OIL

SOYABEAN MEAL

## SUGAR

LONDON DAILY PRICE—Raw sugar 1148.50 (2105.00), up \$3.00 (up £2.00) a tonne for February-Merch delivery. Whitesugar \$176.00, up \$4.00. Mer...... 154,9-154,4 TB6,8-751,8 156,4-184,8 48ay ..... 160,2-180,6-163,2-187,6-163,2-183,8-184,8-187,8-170,8-171,2-172,8-184,8-173

Sales: 796 (1,462) lots of 60 tennes.
Tate and Lyle delivery price for granulated basis sugar was £208.50 (£206.00) a tonne for export. Interactional Sugar Agreement (US cents per pound fob and stowed Caribbam ports.) Prices for February 12: Daily price 5.57 (5.55); 18-day average 5.26 (5.28). PARIS—(FFr per terme): March 1250-1254, May 1322-1330, Aug 1365-1368, Oct 1390-1405, Dec 1425-1445, March 1490-1510.

## RUBBER

PHYSICALS—The London market opened slightly steedler, extracted good covering feterest throughout the day and closed steedy, reports Lewis and Post. Closing prices (Suyers): sport 81.50p (81.00p), March 80.50p (80.00p), April 61.00p (80.50p), The Kusia Lumpur fob price (Malaysta/Singapore cents) per kg: RSS No 1 was 190.5 (189.0) and for SMR 20 196.5 (188.0).

SUGAR WORLD " 11 112,000 fb, cente/fb CHICAGO Close 146th Los Murch 153.2 162.4 163 163.0 164.1 163.2 162.4 163.0 164.1 164.2 165.0 165. Close High Low Prev 322.8 385.5 385.0 385.5 385.2 385.2 385.2 385.3 385.2 385. High Low 50.81 52.00 50.30 50.81 48.86 47.20 47.81 47.30 45.60 44.10 45.30 44.60 45.32 46.50 44.70 45.20 46.70 46.30 46.70 47.35 47.35 47.35 47.30 47.35 47.35 48.20 48.20

Brent and WTI weekened slightly in very thin trade. Nymex opened 27c down for March but was trading 24c up by 1.30 EST. Naphtha fell sharply on limited prompt demand and minimal end-user interests. Gasoline also weakened with only very this buying interest. Ges oil was not traded as deelers were too busy sorting out the last of the prompt nominations—Petroleum Argus, London.

|                             |                  | _           |
|-----------------------------|------------------|-------------|
| SPOT PRICES                 |                  |             |
|                             |                  |             |
| <u> </u>                    | Latest           |             |
| CRUDE OIL-FOR (\$           | per barrel)-     | Maro        |
| Arab Heavy                  | !                | i =         |
| Brent Blend                 | 18 75 10 De      | +           |
| Forcados (Misserie)         | 14.65.15.55      | -0.1        |
| Urals (cif NME)             | _                | ] =         |
| PRODUCTS-North              | West Europe      | •           |
| 4 LOWDE GENARIA CIL         | (# per tenne)    | ) .         |
| Premium gasaline<br>Gas Oil |                  | <u></u> 호   |
| Heavy fuel oil              | 85-88<br>158-160 | +0.5<br>-13 |
| G10 00                      | ,                |             |

gas on futures

Turnover: 2,137 (2,878) lots of 100 CRUDE OIL FUTURES—Brent Blend Index (\$ a barrel). (Close, change business done): Index 16.22. —0.51: March 15.76-16.75: April 15.00-15.70; May 14.90-15.80; June 14.80-15.80; July 14.75-18.75. Turnover: 0 (4) lots of 1,000 berrals

**POTATOES** 

نهاد اصرالاعل

+5.55 169.50 65.25 +1.25 155.00.40.00 -0.50 140.56.45.50 -1.50 141.56.44.50 -1.50 148.60.48.00 +2.50 158.00.46.00

20-YEAR 12% NOTIONAL GILT 250,000 32nds of 100%

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THREE-MONTH STERLING
E500,000 points of 100%.

Close High Low Prev
Merch \$7.30 \$7.35 \$7.25 \$7.25
June \$7.85 \$7.85 \$7.85
Sept \$8.40 \$8.43 \$8.40 \$8.45
Dec \$8.70 \$8.71 \$8.71 \$8.78
March \$8.83 — \$8.83
June \$8.90 — \$8.90
Estimated volume 1,785 (1,361)
Previous day's open int 11,531 (11,656)

Close High Low Prev 147.40 148.70 147.40 148.00 149.90 149.00 149.00 149.60

Close High Low Prev 91.95 91.95 91.92 91.94 91.95 91.95 91.95 91.80 91.82 91.62 91.62 91.60 91.6

Strike Calls—Last
price Feb Mar April June Sept
1,20 — 21,39 — 21,39 —
7,25 — 16,29 16,39 16,39 18,39
1,30 11,39 11,39 11,39 11,39 11,39
1,35 6,39 6,39 6,39 7,26 7,73
1,40 1,39 2,71 3,18 4,55 5,28
1,45 0,00 0,79 1,27 2,63 3,44
1,50 0,00 0,15 0,40 1,9 2,15
Eatimated volume total, Calls 138, Futs 150
Previous day's open left, Calls 8,877, Puts 8,339

PHILADELPHIA SE E/S OPTIONS £12,500 (cants per £1)

THREE-MONTH EURODOLLAR

Close
March 85-19
June 85-18
Espinisted volume
Previous day's op-

**CHICAGO** 

51m points of 100%

June 6.00 0.01 0.04 0.13 0.31 0.63 1.06

Feb Mer April June Sept
-- 0.10 -- 0.35 -- 0.15 -- 0.85 1.55
-- 0.25 -- 1.20 2.70
0.05 0.50 1.30 2.50 4.30
0.30 1.90 3.00 4.70 6.70
3.90 5.10 6.10 7.95 9.75
8.90 9.45 10.20 11.70 12.30

US TREASURY BONDS (CBT) 8% \$100,000 32nds of 100%

## CURRENCIES, MONEY and CAPITAL MARKETS

#### FOREIGN EXCHANGES

## Dollar very weak against yen

£ IN NEW YORK

2 Spot | \$1,4189-1,4185,51,4185-1,4115 1 month | 0.52-0.50pm | 0.51-0.50pm | 0.51-0.50pm | 0.51-0.50pm | 0.51-0.50pm | 0.51-0.50pm | 0.50-0.515pm | 0.50-0.

latest opinion poll, tended to further undermine confidence in sterling yesterday. The pound gaind 60 points to \$1.4175-1.4185 against a very weak dolar, but lost ground to most other major currencies, falling to DM 3.33 from DM 3.3425; FFr 10.2425 from FFr 10.2550; SFr 2.7575 from SFr 2.7775; and Y258.25 from Y263.50.

Fab. 13 Prev. close 7

The dollar gained only temporary respite from the comment from Mr Gerhard Stoltenberg. West German Finance Minister, that the US currency had fallen far enough. After a brief pause the dollar continued to weaken, finishing in London near the lowest of the day, and particularly depressed against the Japanese yen. A disappointing rise of only 0.1 per cent in January US retail sales added to the general weakness of the dollar.

It fell to Y182.15, from Y188 60

ness of the dollar.

It fell to Y182.15, from Y186.60, the lowest since October 31, 1978, and declined to the weakest level since January 1983 in terms of the D-mark and Swiss franc, at DM 2.3480 against DM 2.3670, and SFr 1.9445 against SFr 1.9675. The dollar also fell to FFr 7.2225 from FFr 7.2625.

On Bank of England Access On Bank of England figures the dollar's exchange rate index fell to 121.0 from 121.5, the lowest since March 1983.

CHICAGO

1.20

Francisco (Control of Control of

fell to 121.0 from 121.5, the lowest since March 1983.

STERLING — Trading range against the dollar in 1985-86 is 1.4885 to 1.6525. January average 1.4246. Exchange rate index fell 0.3 to 73.7. compared with 82.0 six meanths, ago.

The threat to the market in North Sea oil forward trading, as some operators refused to honour their commitments, and the lack of popularity of the UK Government, according to the market. Speculation

132.5 against 126.7 six months to a possible test of the record low of Y175.50 at some time within the near future, unless more positive attempt to stem the Japanese authorities make a more positive attempt to stem the decline. This will probably have to involve another cut in falling to DM 2.3546 from DM 2.3605. The fixing session was unusually long, with dealers wondering whether the Bundes-bank would intervene to set a floor under the US currency, and the dollar closed at Y183.50 on Wednesday.

POUND SPOT-FORWARD AGAINST POUND

| еь 13    | spreed                     | Close                                  | One month        | p.a.    | months                              | p,s.   |
|----------|----------------------------|--|------------------|---------|-------------------------------------|--------|
| iŠ       | .1.4070-1.4190             | 1.4175-1.4185                          | 0.53-0.50c pm    | 4.36    | 1.60-1.56om                         | 4.48   |
| arrada   |                            | 1.9875-1.9965                          | 6.04c pm-0.05dis |         | 0.40-0.26pm                         | 0.69   |
| lethind  |                            | 3.75 <sup>1</sup> -3.76 <sup>1</sup> - | 217c pm          |         | 61 <sub>e</sub> -67 <sub>e</sub> pm | 6.65   |
| iaigi wa |                            | 69.30-68.40                            | 16-8c pm         |         | 33-21pm                             | 1.58   |
| ermar    |                            | 12.23 - 12.30                          | 47s-31sore pm    | 4.15    | 14's-12's pm                        | 4.39   |
| reland   | 1.0996-1.1062              | 1.1001-1.1011                          | 0.30-0.15p pm    | 2.45    | 0.80-0.40pm                         | 2.18   |
| V. Ger.  |                            | 3.32-2-3,33-2                          | 2'4-2pt pm       | 7.66    | 6½-6½0m                             | 7.96   |
| ortuga   |                            | 2164-2174                              | 275-560c d/s     | -23.09  | 600-1035dis                         | -15.07 |
| pain     | . <del>2091 - 2</del> 104  | 2091 <sub>2</sub> -2091,               | 30e pm-10dis.    | -0.57   | 15-130dis                           | -1.38  |
| aly      | 22634-22794                | 22741-22751                            | 10-13 lire dis . | -5.07   | 33-37dis                            | -8.15  |
| OTWEY    |                            | 10.411-10.421                          | par-7 ore dis-   | -0.50   | 14-24dis                            | -0.70  |
| rance.   | 10.20-10.25%               | 10.231-10.241                          | par-1-c dia      |         | 64-9dis                             | -3,08  |
| weden    | 10.52-10.56 <sup>2</sup> 2 | 10.53%-10.54%                          | 1-1-pre pm       | 0.85    | 4-27 pm                             | 1.30   |
| epan .   | 2577-260                   |  | 1.41-1.27y pm    |         | 4.21-4.06pm                         | 6.40   |
| uatria   | 23.39-23.47                | 23.40-23.44                            | 117-103-gro pm   | 5.70    | 351-301 pm                          | 5.69   |
| witz,    | 275-276                    | 2.75 - 2.764                           | 2-1-sc pm .      |         | 6 <sup>1</sup> 5 <sup>7</sup> pm    | 8.70   |
|          | Belgian rate is            | for convertible                        | Iranca, Financia | l franc | 68.96-89.05.                        |        |
|          | Six-month forwa            | rd dollar 3.03                         | -2.98c pm. 12-mo | ուհ 5.3 | 5-5.20c pm.                         |        |
|          |                            | •                                      |                  |         |                                     |        |

DOLLAR SPOT-FORWARD AGAINST DOLLAR

|         | DEY                                  |               |                  | %      | Three        | %      |
|---------|--------------------------------------|---------------|------------------|--------|--------------|--------|
| eb 13   | apread .                             | Close         | One month        | p.a.   | months       | p.s.   |
| Kt      | 1.4070-1,4190                        | 1.4175-1.4185 | 6.53-0.50c pm    | 4.35   | 1.60-1.56pm  | 4,46   |
| relandt | 1.2740-1,2860                        | 1.2855-1.2965 | 0.90-0.65¢ pm    | 7.24   | 2.60-1.90pm  | 7.01   |
| anada   | 1.3998-1.4037                        | 1,4020-1,4030 | 0:47-0.50c dis   | -4.15  | 1.26-1.31die | -3.67  |
| ethind. | 2.6510-2.6820                        | 2,6510-2,6520 | 0.47-8.44c pm    | 2.05   | 1.45-1.43cm  | 2.17   |
| algium. | 48.05-48.50                          | 48.15-48.25   | 7-11c dia        |        | 32-38die     | -2.91  |
| enmerk  | 8:664-8.75                           | 8.67-8.67->   | 1-ore pm-1-dis   |        | Lom-Ldia     | -0.09  |
| /. Ger. | 2.3480-2.3725                        | 2.3475-2.3485 | 0.85-0.60pm pm   |        | 2.07-2.02pm  | 3.47   |
| ortugal | 1534-154                             | 1633-1534     | 260-450c dis     |        | 600-1250dis  | -24.07 |
| DBUT    | 748 <sup>1</sup> -149 <sup>2</sup> - | 1481-1491     | 40-70c dis       | -4.45  | 190-240dis   | -5.80  |
| ыу      | 1600-1614                            | 1604-1605     | 13-147, hre dis  | -10.30 | 44-45dis     | -11,23 |
| diskas, | 7.324-7.384                          | 7.34-7.35     | 21-31-ore dis    |        | 94-10dis     | -5.27  |
| ance    | 7.21-7.274                           | 7.22-7.22     | 3-4c dis         |        | 14-15dla     | -7.51  |
|         | 7.43-7.48                            | 7.434-7.434   | 23-25 ore ols    | -3.52  | Fla-Bladia   | -3.22  |
|         | 782.00-184.50                        | 182,10-182,20 | 0.30-0.27y pm    | 1.86   | 0.90-D.85pm  | 1.92   |
| wittle  | 16.51-16.67                          | 16.65-18.67   | 21-11-gro pm     |        | 61-31pm      | 1.21   |
| witz.   | 1.9430-1.9730                        | 1.9440-1.9460 | 0.65-0,60c pm    |        | 2.09-2.04pm  | 4.23   |
|         |                                      |               |                  |        | premiums a   | nď.    |
|         | unts soply to                        |               |                  |        | dual comend  |        |
|         |                                      |               | france. Financia |        |              | -      |

EXCHANGE CROSS RATES

| . 45                                  |                |                |                |                |                |                |                |                |                  |                |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|----------------|
| · · · · · · · · · · · · · · · · · · · | 0.705          | 1,418<br>1.    | 3,330<br>2,348 | 258.5<br>182.2 | 10.84<br>7.223 | 2,758<br>1,945 | 5.760<br>2,652 | 2275.<br>1605. | 1,969<br>1,403   | 68,35<br>48,80 |
| DH<br>YEN                             | 0.300<br>5.872 | 0,486<br>5,491 | 12,89          | 77.55<br>1000. | 3.076<br>39.66 | 0,828<br>10,68 | 1,129<br>14,56 | 683,5<br>8810. | 0,597<br>7,702   | 20,53<br>264,1 |
| F Fr.                                 | 0.976<br>0.363 | 1.384<br>0.514 | 3,251<br>1,206 | 952.1<br>95,65 | 10.<br>3.714   | 2.592<br>1.    | 3.671<br>1,364 | 2821,<br>825,1 | 1.942<br>0.721   | 86.75<br>24.73 |
| H Ft.<br>Lira                         | 0.265<br>0.440 | 0.377<br>0.623 | 0.886<br>1.464 | 68,68<br>113.6 | 3.724<br>4.502 | 0.733<br>1.212 | 1,653          | 605.1<br>1000. | 0,529<br>0,874   | 18.18<br>50.04 |
| B Fr.                                 | 1.463          | 2,075          | 1.674<br>4.872 | , 377.8        | 14.99          | 4.054          | 6,501          | 3829,          | 2 <sub>910</sub> | 34 3<br>100.6  |
| Yen pe                                | 1.000:         | Franch         | Pr per 1       | D: Life ;      | per 1,00       | O: Beig        | Fr per         | 100.           |                  |                |

**EURO-CURRENCY INTEREST RATES** 

| : Fab. 13   | term   | notice  | Month  | Months   | Months  | Year   |
|---|--|---|--|--|---|--|
| Sterling U.S. Dollar Can bellar D Guilder Sw. Franc Deutschmric Fr. Franc Halian Lire | 77a 8<br>12 12 12<br>6 13 5 12<br>114 - 114<br>4 13 4 13<br>8 14 - 879 | 12%-12H<br>778-8<br>1214-1212<br>616-516<br>146-158<br>4-1-48<br>914-912<br>1512-1712   | 1834-1218<br>715-815<br>1212-1234<br>514-516<br>314-578<br>414-478<br>12-1214<br>18-19 | 1234-1234<br>7:6-8:6<br>11:6-11:6<br>5:5-5:2<br>378-4<br>4:6-4:6<br>1456-1478<br>1834-1919 | 125e-125e<br>7;28:e<br>10;6-11;5<br>5;5-5;6<br>3;5-4<br>4;6-4;6<br>153e-135e<br>175e-191e | 12 1 12 15 16 16 16 16 16 16 16 16 16 16 16 16 16  |
| B.Fr.(Fin)<br>B.Fr (Gon)<br>Yen<br>D. Krons<br>Asian 5 (Sog)                          | 6-61s<br>834-914<br>7:1-816  | 91 <sub>2</sub> -95 <sub>4</sub><br>95 <sub>4</sub> -101 <sub>4</sub><br>6.61 <sub>8</sub><br>85 <sub>4</sub> 91 <sub>4</sub><br>71 <sub>6</sub> -8 <sub>18</sub> | 95g-97g<br>101 <sub>2</sub> -11<br>6-61g<br>85g-91g<br>71g-8 <sub>15</sub>             | 9% 97g<br>11 1112<br>6% 6%<br>85g 91g<br>7% 8%   | 91g 93g<br>1014 103g<br>51g 61g<br>83g 91g<br>8-81g                                       | 989-968<br>912-10<br>513-618<br>834-944<br>818-814 |
| 1000.00   | - Eusadalla  | re: nwa VASC  | s 83-84 per  | cent: three  | years 87s-91  | per cent:  |

Long-term Eurodollers: two years 85-85, per-cent; three years 85-85 per cent r years 85-95 per cent; five years 85-95; per cent nominal. Short-term rates reall for US dollars and Japaness yea; others two days' notice.

of 3i to 5i per cent.

JAPANESE YEN — Trading range against the dollar in 1965-86 is 268.15 to 182.15.

January average 199.95. Exchange rate index 191.7 against 157.1 currencies, falling to DM 3.33
from DM 3.3425; FFr 10.2425
from FFr 10.2550; SFr 2.7575
from SFr 2.7775; and Y258.25
from Y263.50.

D-MARK — Trading range against the dollar in 1985-86 is 3.4510 to 2.2489. January average 2.4392. Exchange rate index 132.5 against 126.7 six months ago.

The D-mark rose in line with the yen and Swiss franc in the Japanese authorities make a **CURRENCY MOVEMENTS** 

suggish in the short sterling contract, as interest rates showed little sign of movement on the London money market. March three-month sterling deposits finished in the middle of the day's range at 87.30, compared with 87.34 previously.

**CURRENCY RATES** POUND-\$ (FOREIGN EXCHANGE) Letest High Low 1.4100 1.4130 1.4035 1.3945 1.3965 1.3900 1.3800 1.3810 1.3740 CS/SDR\_rate\_for . Feb 12: N/A.

OTHER CURRENCIES Arg'tina... 1.1306-1.13290.8000-0.8010
Aus'alia... 2.0486-2.0515-1.4476-1.4496
Brazil..... 18.104-18.209-12.810-12.876
Finland 7.4745-7.4946-5.2976-5.2996
Grance ... 202.13-206.51142.96-145.94
Wixong ... 11.3386-11.1409 7.8040-7.8060
Firan ... 11.200° 83.604-7.8040-7.8060
Kuwait ... 0.4010-0.40800-38378-0.28580
Lux'burg Maisy'as 3.4728-3.4828-2.4875-2.4695
M'Z'land 2.6406-2.6805-1.8665-1.8710
Saudi Ar., 5.1630-5.1680-2.6504-3.6509
Sin'pore .3.6190-5.02808-1.3660-2.1310
Sau, (Fn. 4.0985-4.21802-2.988-2.9850
U.A.E ..... (5.1945-8.2000-3.6785-3.6735

Morgan Guaranty changes: sverage 1980-1982-100. Bank of England Index (base average 1975-100).

10.00 am ...... 11.00 am ..... 73.8 73.8 78.7 73.8 73.8 73.8

EMS EUROPEAN CURRENCY UNIT RATES % chang from central rate Beigian Franc ...
Danish Krone ...
Germen D-mark
French Frenc ...
Dutch Guilder...
Irish Pent .....
italien Lira ..... -1.21 -1.75 -3.32 -3.28 -3.11 -1.27 -3.16 ±1,5425 ±1,6421 ±1,1465 ±1,3654 ±1,5462 ±1,6673 ±4,0856 8.12857 2.23840 6.86402 2.52208 0.724578 1520.60 7.98838 2.16414 6.53871 2.44373 0.715412 1472.48

#### **MONEY MARKETS**

## Quiet trading in London

It was another very quiet day on the London money market, with dealers seeing little prospect of a change in integest rates for some time, although there were signs of nervousness that the weakness of the dollar was disguising a gradual decline in the overall value of sterling. Three-month interbank was virtually unchanged throughout, finishing at 121-121 per cent, compared with 121-121 per cent, compared with 121-121 per cent, on Wednesday, Discount houses buying rates for three-month bank bills easef to 123-122 per cent. The Bank of England initially forecast a money market short-age of £300m, but changed this to £500m at noon, and provided total help on the day of £467m, all through outright purchases of bills at unchanged rates.

Before lunch the authorities houses hought £135m bills, by way of the funds and the compared with 121-121 per cent.

NEW YORK RATES

Bills maturing in official sassets this month, and with the market particularly liquid yester-day's withdrawal of funds was bills drained £855m, with a rise easily absorbed. The Bundesbank in the note circulation absorbing in the more cashly absorbed. The Bundesbank in the note circulation absorbing in the market particularly liquid yester-day's withdrawal of funds was bills drained £855m, with a rise easily absorbed. The Bundesbank in the note circulation absorbing in the note circulation absorbed. The Bundesbank in the note circula

total help on the day of £467m, all through outright purchases of bills at unchanged rates.

Before lunch the authorities bought £136m bills, by way of £52m bank bills in band 1 at 12½ per cent; £32m bank bills in band 2 at 12½ per cent; £31m bank bills in band 2 at 12½ per cent.

In the afternoon another £33im bills were purchased, through £176m bank bills in band 1 at 12½ per cent; and £21m bank bills in band 1 at 12½ per cent.

Two west 5.55 throse year 5.55 through £176m bank bills in band 1 at 12½ per cent; and £21m bank bills in band 1 at 12½ per cent; and £35m in bank bills in band 2 at 12½ per cent; and £35m in bank bills in bank bills in band 2 at 12½ per cent; and £35m in bank bills in bank bills

MONEY RATES Over-night Month Months Months Months in writing 4.4.4.5 4.4.4.5 4.

UK clearing banks base lending rate 12; per cent since January 9 ably be neutral, because the central bank will cut the amount of help given through securities FT LONDON INTERBANK FIXING Six months U.S. dollars

The fixing rates are the arithmetic means, rounded to the nearest one-alteanth of the bid and offered rates for \$10m quoted by the market to Paris and Morgan Guaranty Trust LONDON MONEY RATES Over 7 days Three Six One 

Tressury Bills (sell): one-month 12% per cent: three-months 12 per cent. Bank Bills (sell): one-month 12%-12% per cent: three-months 12 per cent. Tressury Bills: Average tender rate at discount 12.0967 per cent. ECGD Fixed Finence Scheme IV reference date January 8 at February 4 (inclusive): 13.077 per cent. Local surborny and Finance Houses saven days' fixed. Finence Houses Base Rate 12½ per cent from February 1 1986. Bank Daposit Rates for sums at savan days' notice 6-6% per cent. Certificates of Tax Deposits (Series 6). Deposits £100.000 and over hald under one month 12 per cent; one-three months 12% per cent; three-six months 12% per cent; sixning months 12% per cent; inne-12 months 12% per cent; under £100.000 11% per cent from January 14. Deposits hald under Senes 6 11% per cent. Deposits withdrawn for cash 7½ per cent.

FINANCIAL **FUTURES** 

## Firmer about a possible realignment of the European Monetary System, after next month's French elections, involving an upward adjustment of the D-mark, appears to be causing distortions in German money supply growth. Funds attracted into the D-mark pushed money supply growth up by about 10 per cent in January, compared with the target range of 3i to 5i per cent. bonds

Dollar denominated interest rate contracts firmed in early afternoon trading on the London International Financial Futures Exchagne yesterday. March delivery US Treasury bonds touched a contract high on news that US Treasury retail sales rose only 0.1 per cent, aminst expectations of a rise of 0.7 per cent to 1.0 per cent, and compared with 1.9 per cent in December. The contract was trading at 86-11 around 1.30 pm, just before the figure was announced, and touched 86-27 on the news, before settling back to around 86-18, on Wednesday. March Eurodollars rose slightly from 91.94, before the announcement, to 91.99, but also fell back to finish at 91.96, compared with 91.94 at the previous settlement. 91.94 at the previous settlement. The recent strength of Treasury bonds futures was also underpinned by expectations of further demand for US paper from Japan, where the finance ministry is to allow the setting up of mutual funds, that can invest half their funds in foreign bonds. Encouraging prospects for US inflation, because of the recent fall in oil prices, remained another supporting factor.

The preliminary UK momen

another supporting factor.

The preliminary UK money and banking figures, which caused some surprise in financial markets earlier this month, were confirmed by the final figures resterday. In the absence of any other factors the long gilt gained some strength from the US retail sales figure, and March delivery closed near the day's high at 110-03, compared with 109-29 on Wednesday. Volume was good in long gilt futures, but remained sluggish in the short sterling contract, as interest rates

**CURRENCY FUTURES** Spot 1-mth. 3-mth. 6-mth. 12-mth. 1.4180 1.4129 1.4022 1.3880 1.3865 Close High Low Pre-h 1.4098 1.4121 1.4025 1.406 1.3935 1.3955 1.2955 1.295 1.3900 — 1.390 austed volume 993 (76) ous day's open int 2,215 (2,195)

STERLING INDEX

74.2 74.1 74.2

## Legal Notices

Company Notices

and set by the reference agent

BANK HANDLOWY W. WARSZAWIE S.A. Floating Rate Note Issue of for the six months period beginning on February 14 1986

#### Personal

II PS - made it to the big house! TO MY DARLING FOM, P por LY + MY + TA - AK pomm pomm. Yours for ever I

#### THE FINANCIAL TIMES

is proposing to publish a survey on

#### **GHANA**

On Monday 19 May 1986 Advertising copy date for this survey is

Monday 21 April 1986

For further information please contact: Hugh Sutton, Area Manager-Africa Financial Times, Bracken House 10 Cannon Street, London EC4P 4BY Tel: 01-248 8000 ext 3238 Telex: 885033

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## WORLD VALUE OF THE DOLLAR BANK OF AMERICA NT & SA, ECONOMICS DEPARTMENT, LONDON

The table below gives the rates of exchange for the US dollar against various currencies as of Wednesday, February 12, 1986. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one US dollar except in certain specified Bank of America, Economics Dept, E.M.E.A. London Eurodollar Libor as of February 12 at 11.00 a.m. 3 months: 814 6 months: 81

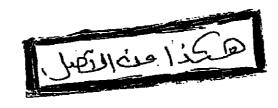
areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions. Bank of America NT & SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT & SA nor the Financial Times assume responsibility for errors.

ECU=SUS.915753 Sibor as of February 12 at 11.00 2.m. 3 months: 815 6 months: 815

|   | COUNTRY                       | CURRENCY             | DOLLAR                    | COUNTRY                                   | CURRENCY           | DOLLAR              | COUNTRY   | CURRENCY                     | DOLLAR          |
|---|-------------------------------|----------------------|---------------------------|---|--------------------|---------------------|---|------------------------------|-----------------|
| ł | Afghanistan                   | Afghani lo)          | 50,60                     | Greneda                                   | E. Carlbbean 5     | 8,70                | Paraguay,                                       | (Guarani (o.c.)              | 240.00          |
| 1 | Albania                       | Lek                  | 7.1315                    | Guadaloupe                                | Franc              | 7.245               | -   | Guarani (d)                  | 883.00          |
| ı | Algeria                       | Dinar                | 4.771                     | Guam                                      | U.S. 5             | 1,00                | Peru  | inti. (6) (6)                | 13.945          |
| ı | Andorra                       | Fr, Franc            | 148.75                    | Guatemala                                 | Quetzai (6)        | 1.00                | Philippines                                     | N 7 Police                   | 1.8348          |
| I | Angola                        | Sp. Peseta<br>Yuanza | . 29,918                  | Guinea Blessu                             | Pero               | 170,479             | Polend  | Zioby (o) (3)                | 170,00          |
| ı | Autison                       | F. Caribbean 8       | 2.70                      | Guinea Rep                                | Franc (Si          | 340.00              | Portugal  | Escudo                       | 153.85          |
| ı | Arcenting                     | Austrai              | 0.801                     | Guinea Rep                                | Franc (b)          | 300.00              | Puerto Rico                                     | U.S. dollar                  | 1.00            |
| ı | Aruba                         | Fiorin (11)          | 1,80                      | Guyena                                    | Dollar             | 4.159               | Qatar   | Riyal                        | 2 5 6 7         |
| l | Australia                     | Dollar               | 1.4562                    | Haiti Rep                                 | Gourda             | 5.00<br>2.00        | Reunion, II de la                               | Fr. Franc                    | 7.245           |
| ı | Austria                       | Schilling :          | 16.61                     | Honduras Rep                              | Lempira            | 2.00                | Romania   | Leu ioi                      | 1 3.98<br>12.42 |
| į | AZOFES                        | Port. Escucio        | 153.85                    | Uana Kasa                                 | Lempira (d)        | 2.625<br>7.8065     | Rwanda  | Econo                        | 91,7175         |
| ł | Bahamas                       | Dollar<br>B'ann      | . 0,3769                  | Hong Kong                                 | Easter             | 48,272              | KARIKTON - Pro                                  | Trans.                       | -               |
| ١ | Bahrain                       | On Bosete            | 148.75                    |   |                    |                     | St. Christopher                                 | E. Caribbean \$              | ; 2.70          |
| į | Bangiadesh                    | Taka                 | 50,30                     | }   | Krona              | 41.78               | St. Helena                                      | Pound*                       | 1.4163          |
| 1 | Barbados                      | Dollar               | , 2.0113                  | india                                     | Rupes              | 12.43<br>1126.00    | St. Lucis                                       | E. Caribbean \$              | 2,70            |
| Į | Belgium ,                     | Franc (c)            | 48,38                     | Tan                                       | Rupian<br>Ciel (a) | 82,4216             | St Manne  | Fr. Franc                    | 7.245<br>2.70   |
| 1 | Reißint "                     | l Franc (f)          | 49.03                     | 1raq                                      | Dinar .            | 0.3109              | Samon (Western)                                 | E. Canbosan a                | 2.2472          |
| Į | Beliza                        | Doller _             | 2,00                      | Irish Rop                                 | Punt*              | 1.281               | Samoa (Am.)                                     | U.S. &                       | 1.00            |
| 1 | Benin                         | C.F.A. Franc         | 362,25<br>1,00            | l terael                                  | New Shekel (12)    | 1,488               | San Marino                                      | It. Lira                     | 1609.10         |
| ł | Beliza                        | Ind Punes            | 12,43                     | italyivory Coast                          | Line .             | 1609.10             | i Seo Tome &                                    | •                            | i               |
| ì | 0111/E()                      | (Peso (o)            | · 1833000.                | Ivory Coast                               | C.F.A. Franc       | 362,25              | Principe DR                                     | Dobra                        | 40.4071         |
| ł | Bolivia                       | Peso (f)             | 2000000                   | j .                                       |                    |                     | Saudi Arabia                                    | Riyai                        | 3.65            |
| ł | Bottewane                     | Pula ' '             | 1.7737                    | Jamaioz                                   | Dollar (c) (5)     | : 5,48              | Senegal   | C.F.A. Franc                 | 362,25          |
| E | Brazil                        | Cruzeiro (D)         | 12652.                    | Japan                                     | Yen                | 186,23              | Seychelles                                      | Rupea                        | 5,4602          |
| Į | Brunel                        | DOUBLE               | 2,198<br>0,983            | Jordan                                    | Dinar '            | 0.3462              | Siarra Leone<br>Singapore<br>Solomon is         | Leone                        | 6,00            |
| ı | Bulgaria                      | CE A Emac            | 362.25                    | Kampuches                                 | FOGI               | n.a.<br>14,4205     | Singapore                                       | Dollar<br>Dollar             | 2.126<br>1.6077 |
| ı | Burting Pasc                  | Kust                 | 7.5070                    | Kiribati                                  | Aust Poller        | 1,4552              | Someli Pen                                      | Shiffing                     | 35.60           |
| ı | Burmal                        | Franc                | 109.568                   | Kenya<br>Kiribati<br>Korea (Mth)          | Won                | 0.94                | Somali Rep<br>South Africa                      | Rand                         | 2.1522          |
| ı | Cameroun Rp                   | C.F.A. Franc         | 362.25                    | Korea (Sth)                               | Won                | 1 887.00            | I Sosio   | Pasata                       | 148,75          |
| ı |                               |                      | 1,398                     | Korea (9th)<br>Kuwafe<br>Lao P'pis D. Rep | Dinar              | 0.2844              | Span Ports in N                                 |                              |                 |
| ı | Canary is                     | Sp. Peseta           | 148.75<br>89.2698         | Lao P'pis D. Rep                          | Kip                | 85,00               | Africa  | Sp. Paseta                   | 148,75          |
| ı | Cape Verde is                 | Escucio              | 0.885                     | Lebanon                                   | Pound              | 22.88<br>2.1522     | DIS   Library   Marine - 1940                   | Nupre                        | 27,47           |
| ı | Cen, Africa Rep               | C.F.A. Franc         | 362.25                    | Liberia                                   | Dollar             | 1.00                | Sudan Rep                                       | Pound                        | 2,50            |
| ı | ChadChila nep.                | C.F.A. Franc         | 362,25                    | Libya                                     | Dihar              | 0.2961              | Surinam   | GUIRGET                      | 1,785           |
| Į | Chile                         | Paso (e)             | 182,30                    | l Liechtenstein                           | Sw. Franc          | 1,97                | Swaziland<br>Sweden                             | Kroon                        | 2.1322<br>7.459 |
| ł |                               |                      | 3,2079                    | Luxembourg                                | Lux. Franc         | 48.38               | Switzerland                                     | Franc                        | 1.97            |
| ł |                               |                      | 175.90                    | Macao                                     | Pateca             | 8,1149              | Syria   | Pound (o)                    | 3,925           |
| 1 | Comoros<br>Congo Pois Rep. of | CFA Franc            | 362,35<br>368,26          | Madagascar D.R                            | Franc              | 497,876<br>  153,85 | _   |                              |                 |
| ŀ | Cost Pice                     | Colon                | 55.95                     | Madeira                                   | Fort Escacio       | 1,7162              | Talwan  | Dollar (o)                   | 39.28           |
| ŀ | Cuba                          | Peso !               | 0,8779                    | Malaysia                                  | Ringgit            | 2,4595              | Tanzania<br>Thailand                            | Shilling                     | 16,20<br>26,47  |
| ı | Cyprus                        | Pound*               | 1,8725                    | Makire Is                                 | Rufíva             | 7.00                | Togo Rep  | OFA France                   | 362.25          |
| ł | Czechoslovakla                | Koruna (o)           | 6.30<br>6.708             | Mai Ro                                    | C.F.A. Franc       | 562,25              | Topon Is  | Beles                        | 1.4552          |
| ı | Denmark<br>Djibouti Rp. of    | Arone ,              | 177.139                   | Malta                                     | Lire"              | 2,4242<br>7,245     | Trinidad & Tobago                               | ) Dollar                     | 2,409           |
| ļ | Dominica                      | E Caribbaan B        | 2.70                      | Martinique<br>Mauritania                  | Concline           | 77.00               | 11111000 4 100080                               | <sup>1</sup> Dollar (h) (10) | 3,60            |
| ł | Domin. Rep                    | Peso                 | 2,85<br>2,87              |   |                    | 13.67               | Tunisia   | Dinar '                      | 0.715           |
| ı | DOMIN. Hep.                   | (Peso (d)            |                           | Mexico                                    | Peso (d)           | 476.50              | Turkey  | LIFE                         | 606,04<br>1,00  |
| ı | F                             | \ Suore (d)          | 138,00                    |   | Peac (e) (15)      | 416.00              | Tuvalu  | Aust. Dollar                 | 1,4552          |
| ł | Equador                       | 3 Sucre (f) (4)      | 109,25                    | Miquelon<br>Monaco ,<br>Mongolia          | Fr. FFERC          | 7.246<br>7.246      |   |                              | -               |
| Į |                               | Pound                | 0,85                      | Mongolia                                  | Tuerik (8)         | 3,3565              | Uganda  | Spilling '                   | 1458,26         |
| i | Egypt                         | Pound (o)            | 1,58                      | Montserrat                                | E. Carlbbean S     | 2.70                | United Arab Emir.                               | Dirham                       | 5.673           |
| j | El Salvador                   | Colon                | 2.50                      | !   |                    | · ,                 | Hoded Kingdom                                   | Pound Sterling*              | 1,4163          |
| ľ | SI OKIADIDI "                 | Colon (d)            | B.00                      | Morocco,                                  | Ditham             | 9,38                | Uruguay   | Peso (m).                    | 127,85          |
| ì | Eq'N Guinea                   | C.F.A. Franc         | 362 <u>.2</u> 5<br>2,0688 | Mozambique                                | Mética             | 41.35<br>2.1322     | USSR  | MOUDI <del>e</del>           | 0.7455          |
| ł | Farpe is                      | Diff (0)             | 8.708                     | Namible                                   | S. A. KANG         | 4.1255              | Vanuatu   | Vani                         | 98.2272         |
| ı | Falkland Is                   | Pound <sup>4</sup>   | 1,4163                    | Neuru is                                  | Aust. Dollar .     | 1.4552              | Yatican   | Lira ·                       | 1609.10         |
| Į | Fiji                          | Dollar               | 1,1025                    | Nepal                                     | Rupse              | 20,60               | Venezuela.                                      | Rolly- e (e)                 | 7.50            |
| j | Fintand                       | Markka '             | 5.395                     | Netherlands                               | Guilder            | : 2,67              | Vanezuela                                       | Bolivar (g) (1)              | 4.50            |
| ţ | France Fr. C'ty in Af         | Franc :              | 7,246<br><i>3</i> 62.25   | Noth Antiles                              | Guider             | 1.80<br>2.8342      | }   | Bolivar (o)                  | 16.95           |
| Į | Fr. Quiena                    | G.F.A. FFERG :       | 7.845                     | New Zeeland                               | ounds<br>Comioba   | · 10.00             | Vietnam   | Dong                         | 12.7249         |
| ı | Fr. Pac. 18                   | C.F.P. Franc '       | 7,245<br>131.727          | Nicaragua                                 | Cordobardi         | . 1000.00           | Virgin Is, British                              | U.S. S                       | 1.00            |
| Í | Gabon:                        | C.F.A. Franc ;       | 362.25                    | Niger De                                  | C F & Franc        | 362.25              | Vietnam<br>Virgin is, British<br>Virgin is. U.S | V.S. \$                      | 1.00            |
| ĺ | Gambia!                       | Dalasi '             | 5,44<br>2,364             | Nigeria                                   | Naira              | 0.9996<br>7.361     | Yemen   | Rial                         | 8.515           |
| ĺ | Germany (E)                   | DECIMARK (0)         | 2.364                     |   |                    |                     | Yemen PDR                                       | Dinar                        | 0.843           |
| l | Ghana                         | Gedi (14)            | 90.00                     | Oman Sultanate of                         | Ria <u>l</u> (2)   | . 0.385             | Yugoslavia                                      | Dinar '                      | 817,80          |
| ſ | Gibraltar                     | Pound*               | 1,4163                    | Pakistan                                  | Rupee              | 15.9878             | Zairo Republic                                  | Zaire :                      | 55,56           |
| ź | Centes                        |                      | 728 EG                    | Demons                                    | Delhan             | . 100               | 7   | V.c.                         | 72.77.          |

n.o. Not avsitable, (m) Market rate \* US dollars per National Currency unit. (a) Freemarket central bank. (b) Official rate. (b) Freemarket Interbank. (c) Commercial rate. (d) Freemarket. (e) Controlled. (f) Financial rate. (g) Preferential rates. (h) Non-assantial imports. (l) Floating tourist rate. (j) Public transaction rate. (l) Venezuela: For debts incurred prior to Februsy 1983. (2) Oman, January 26 1986: Rial devalued by approximately 10.2 per cent. (3) Poland, Februsy 2 1986: Sucra devalued by approximately 13 per cent. (5) Jamaics, November 8: Rate adjustment fixed by Central Bank bi-weekly auction. (6) Peru, January 1 1985: New currency introduced—Inti = 1,000 Soles. (7) Vietnam: New Dong introduced September 1985. (8) Incomber 3: 50-Stang depreciation of Bank, (9) Guinas Republic. January 1 1986: Frenc, new exchange rate announced. (10) Trinided and Tobago: Dollar devalued by 33.3 per cent. dual exchange rate operating. December 18 1985. (11) Arube Florin: New currency introduced. January 1 1986. (12) Israel, January 8 1985: Shekel cent. dual exchange rate operating. December 18 1985. (11) Arube Florin: New currency introduced by 16.7 per cent. (14) Ghans, January 13 1989: Cedi devalued by one-third. (15) Gambia, January 20 1985: Dalasi freely floating. For further information please contact your local branch of the Bank of America.

لفاناسالفل



| Financial Times Friday February 14 1986  INDUSTRIALS—Continued   LEISURE—Continued   PROPERTY—Continued   INVESTMENT TRUSTS  |  |
|--|--|
| Price   Pric   | Net   Cer   Ers   Net   Cer   Ers   Net   Cer   Ers   Net   Cer   Cer   Cer   Net   Cer    |
| 67 65 Ra-Swift So  | 2   015C   0   3.3   100   80   100   70   100   |
| 179   114   FSU init.   120   195.52   12   15   15   15   15   15   15  | 1   17   18   24   Dr. Warriells   18   24   Dr. Warriells   18   27   18   27   18   27   18   28   28   28   28   28   28   28   |
| Second   S   | 10 15 10 4.9 165 170 -   |
| 100   39   Pressuant   130   4   150   1   | 10   10   10   10   10   10   10   10  |
| 310   130   Research Group   290     -   | 28   |
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| 125 50 (Filtering)   | 150   61   150   62   15   15   15   15   15   15   15   1   |
| 153   105 Transport Det.   152   175   185 | 12   10   12   12   13   12   13   12   13   13  |
| For W. Therefore See Testing S | 523   0   2   72   123   0   2   7   124   125   135   14   14   125   135   14   125   135   14   125   135   14   125   135   14   125   135   14   125   135   14   125   135   14   125   135   14   125   135   14   125   135   14   125   135   14   125   135   14   125   135   14   125   135   14   125   135   1   |
| 87 68 Hen's Ground Int. 67 44 53 1.1 9.0 Held 172 105 Henory Service S | 1.1   1.2   1.5    |
| 100   127   128   138   137   138   137   138    | # 17ad Stock   1985-786   1985-78 |
| 120    | 1   275   6   33   33   33   36glo-instance*s   127   42   470   50   53   53   54   54   54   54   54   54  |
| 345 109 FAI insurinary \$40.00 73  | etc 104, 775 Assam Docurs £1   |
| 207   10   207     | Col.   19   100   5.7   13   409   Burtons Dress P1   425   1344   134   |
| 365 20 [Task Internative 12.5] 236-14-1 22.16 - 4.3   -4.3   -4.3   -4.5   -1.6   -4.5   -1.6   -1.6   -1.5   -1.6        | 18   18   18   18   18   18   18   18  |
| 271 12 SA & M Gross 165 - 144 - 15   | 1 16   10   10   10   10   10   10   1   |
| 235 170 Conyado  | 125   17   27   28   26   16   16   16   16   16   16   16   |
|  |  |

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Account Dealing Dates Option Dealings tions Dealings Day Jan 27 Feb 6 Feb 7 Feb 17 Feb 10 Feb 20 Feb 21 Mar 3 Feb 24 Mar 6 Mar 7 Mar 17

The pace was more leisurely a fully-paid tender price of 941 throughout the stock market which was 1 above the minimum session in London yesterday. requirement. Initial offerings of other Gilt maturities were even-vity, the slowing in the equity market's upward momentum was particularly welcomed. It gave particularly welcomed. It gave traders and investors alike the opportunity to examine their portfolios, and few reached the conclusion that the time was ripe to divest of good-class stocks.

Selected international stocks, including several constituents of the FT Ordinary share index, made progress despite currency considerations. Sterling maintained its stability against the dollar but lost ground on the D-mark and the yen. Lucas Industries were prominent following comment on the group's new anti-skid invention, but the most interesting stock was GEC. Aggressive demand for GEC stock over the past few days has stock over the past few days has aroused considerable speculation. Continued buying yesterday gave rise to talk of a US house building up a share stake, the pos-sibility of the company instigat-

Takeover speculation elsewhere cooled quite dramatically with the notable exception of the Estates, a bid chestnut of many Estates, a bid chestnut of many years standing, from a subsidiary of Dutch investment house Robeco, rushed Hazelmere up 115 to 620p. The news brought a heady atmosphere to Properties and MEPC, still on hopes of a Trafalgar House offer, led the advance to close a further 9 bigher at 340p.

**EQUITY GROUPS** 

## Tempo slackens but equity index edges forward to record level

stocks settled to end around a easier on the day.

#### Midland easier A broker's cautious assessment

of Midland in the wake of its sale of Crocker National to Wells to divest of good-class stocks. The lack of selling consequently prevented most leading issues reacting from current peak levels.

Morning business was unusually light and probably affected by a cautious reading of the Institute for Fiscal Studies budget submission. This threw doubt on the Chancellor's scope for taxation cuts this year, although the report concluded optimistically that substantial reductions could be achieved in 1987.

Selected international stocks, including several constituents of the FT Ordinary share index, made progress despite currency

previous day's rise of 40.

Breweries lacked a decided trened Greenall Whitley dipped? to 170p as brokers took a bearish view of the proposed acquisition of Davemperts, 5 cheaper at 445p. Guinness, in contrast, made fresh progress to 298p, a net gain of 6, although talks persisted that the company is set to raise its ofter for Distillers: the latter eased a few is set to raise its other to bis-tillers; the latter eased a few pence to 610p, but rival suitors Argyll Group hardened 5 to 340p. Vaux advanced 15 to 395p following a newsletter recom-

sibility of the company instigating another buy-in programme of its shares and fanciful dreams of a takeover bid from lesserlight BTR. The rise of 8 to 192p, after 196p, in GEC plus the gains in both Lucas and Imperial Group, helped the FT 30-share index rise 3.9 more to a best-ever 1212.5.

Preperations were completed for a hectic opening business today in Wellcome. The shares are guaranteed a warm reception and estimates of the likely premium over the issue price of 120p increased to between 30p and 35p. snort of stock. Buyers also favoured Aberdeen Construction, 10 higher at 240p and Countryside, 4 up at 302p. Elsewhere. Attwoods attracted renewed speculative support and put on 5 to 145p.

5 to 145p.
ICI drifted back to 845p before
late support left the close a
couple of pence dearer on
balance at 852p.

#### Grattan wanted

Mail-order house Grattan returned to favour and rose 12 Trafalgar House offer, led the advance to close a further 9 higher at 340p.

Git-edged securities suffered at the market digested sales of the new stock, f20-paid Treasury 10 per cent 1993. In first-time dealings, stock changed hands at prices down to 191 before a close of 192; applicants were allotted stock on Wednesday at FINANCIAL TIMES STOCK INDICES

Government Secs .... 82.07. 82.20 82.15 82.24 81.49 81.75 79.65 87.68 87.55 87.40 87.41 87.30 87.26 83.63 .. 1812,5 1208,6 1191,4 1195,3 1187,7 1171,7 984,7 ....... 330,9 330,5 326,7 328,3 328,0 327,8 492,7 P/E Ratio (net) (")..... 13,00 11,93 11.74 11.77 11.70 11.59 11.02 Total bargains (Est., 26,419, 28,480, 37,998, 27,387, 26,721; 36,047, 23,686 

● 10 am 1210.1. 11 am 1210.1. Noon 1210.4. 1 pm 1212.5. 2 pm 1212.8. 3 pm 1213.2. 4 pm 1213.0. Day's High 1213.3. Day's Low 1206.7. Basis 100 Government Securities 15/10/25, Fixed interest 1928. Ordinary 1/7/35, Gold Mines 12/9/55. SE Activity 1974. Latest Index 01-245 8026, \*Nii=11.57.

| ı       | HIGHS A             | AND LO             | ows                  |                    | S.E. A                              | CTIVIT           | ES                      |
|---------|---------------------|--------------------|----------------------|--------------------|-------------------------------------|------------------|-------------------------|
| _       | 198                 | <br>5186           | Since Co             | mpliatin           | INDICES                             | Feb<br>12        | Feb.                    |
|         | High                | Low                | High                 | Low                | Daily<br>Gilt Edged                 | ·                |                         |
| L Secs. | 84,57<br>(18/18/85) | 78,02<br>(28/1/85) | 127,4<br>(9/1/35)    | 40 12              | Bargains<br>Equities<br>Bargains    | 125,9<br>189,3   |                         |
| d int   | (25/10/86)          | ,                  | 150.4<br>(28) 11/47) |                    | Value<br>5 dayAverage<br>Gilt Edged | 1,380.0          | 1,253,4                 |
| лагу    |                     | (25/7/85)          | 1212.5               | (26/6/40)          | Bargains<br>Equities                | 127.1            |                         |
| Mines   | 686,9<br>(15/4/85)  | 217.6<br>(5/17/85) | 754.7<br>(15/2/83)   | 43.6<br>(26/10/71) | Bargains<br>Value                   | 184.7<br>1,385.1 | 176 <i>A</i><br>1,333.8 |

or to demand and adoes 6 more to 203p, while Dunhill revived with a gain of 12 to 366p. Persistent bid chatter lifted Martin Ford 3½ more to 76p, but profittaking clipped 10 from recent high-flier Executex Clothes at 22p. Last support was rated for nigh-file? Executes: Clothes at 82p. Late support was noted for French Connection, 15 up at 185p, and Pentos, 5 to the good at 71p, but Rowland Gaunt, in receipt of an agreed share-exchange bid from Spong, dipped 13 to 83n.

Apart from GEC, buyers also showed considerable interest in Racal which improved steadily to finish 6 better on balance at 182p. Plessey hardened a couple of pence to 194p, but Thorn EMI met with profit-taking and lost 5 at 437p, after 433p; the latter has sold its cable television interests to British Telecom, 2 off at 186p. Elsewhere in Electricals, STC lost 4 to 98p ahead of preliminary results scheduled for later this month. Amstrad for later this month. Amstrad paused for breath following its meteoric rise before, and after, meteoric rise before, and after, Tuesday's excellent interim results; the close was 8 lower at 342p. Mnemos dropped 9 to 31p and MicroFocus gave up 10 at 160p. MK fell 15 to 320p, but Oxford Instruments continued firmly at 428p; up 6.

at 850p. Laura Ashley were again featured by McKechnie, which in demand and added 6 more to closed 16 higher at 224p on the 203p, while Dunhill revived bid from Williams Holdings: the latter closed at couple of pence sistent bid chatter lifted Martin Ford 3½ more to 76p, but profit currently in receipt of an unwel-come offer from McKechnie, fell away to 125p before closing a few pence above the worst at 127p, down 8 on the day. RHP came to life with a gain of 7 at 149p, while West Bromwich Spring, still reflecting press mention, rose 10 more to 42p. Laird Gronn put on 9 further to mention, rose 10 more to 42p.
Laird Group put on 9 further to
260p and Pegler Hattersley improved 6 more to 404p. Westland were quoted ex-all at 78p,
down 4; the new shares closed
at 20p premium and the Warrants at 22p, while the 7½ per
cent Conventible ended at 17p
premium

> Among Food Retailers, Tesco rose 8 to 303p on rumours of a broker's circular, while ASDA-MFI hardened a couple of pence mri naruened a couple of pence to 144p. Elsewhere, Tate and Lyle attracted fresh support and firmed 5 to 573p and Unigate added 3 to 229p.

#### Metal Box higher

Leading miscellaneous indusat 160p. MK fell 15 to 320p, but Oxford Instruments continued farmly at 423p; up 6.

Leading Engineers rarely to 655p, while Glaro continued to make progress at 855p, up 15.

BOC hardened a few pence to 320p ahead of the quarterly figures due next Thursday. Pilkington, in contrast, met with profit-taking after the previous profit-taking after the previous day's flurry and gave up 12 at 381p. Boots eased a couple of pence further to 236p. Elsewhere, Pearson were supported at 431p, up 23; the company announced figures yesterday from its subsidiary Camco. Bid

YESTERDAY'S

day's best with a gain of 14 at 115p, while Brammer, also the subject of speculative interest, rose 13 to 348p, Fobel came to life with a gain of 7 at 40p, but profit-taking left Christies Inter-national 8 lower at 310p. Parkfield Group continued to make progress and put on 13 further to 290p. Bestobell, a recent bid favourite, came back 5 to 255p, while Marley drifted back 5 to 111p awaiting news of the sale of Payless. Johnson Matthey, on the other hand, met with further the other hand, met with intrier support and put on 9 to 167p, while UKO International, still reflecting the bid approach, improved 4 more to 170p for a two-day rise of 35. Other bright spots included London International, 6 higher at 190p, and MCD. 7 deeper at 148p. MCD, 7 dearer at 148p.

Lucas Industries featured pro-Lucas Industries featured proceedings in Motor Components, rising 15 to 543p, after 545p, amid talk of a chart breakthrough and of a broker's bullish circular. Buyers also displayed interest in FR, formerly Flight Refuelling, which advanced 12 more to 352p.

Robeco's surprise bid for Haslemere Estates set the Property sector alight. Reflecting the strength of Haslemere and the strength of Haslemere and the sector's other current take-over favourite MEPC, Land Securities, 315p, Great Portland Estates, 173p, and British Land, 171p, all gained S. Peachey rose 10 to 275p and Hammerson A 15 to 485p, while Slough Estates advanced 7 to 163p, Stock Conversion, in which Stockley holds a circular state were finally 20 version, in which Stockley holds a sizeable stake, were finally 20 higher at 555p. Other notable rises included Daejan, 25 up at 545p, Rosehaug, the same amount at 460p, and Rush and Tompkins, 21 to the good at 293p. C. H. Beazer put on 14 to 510p and Percy Bilton appreciated 10 to 240p, while gains of around 8 were common to Property Holding and Investment, 123p, and Property Security and Investment, 120p. Elsewhere, A. Caird touched 45p prior to closing a net 5 up at 41p following the better-than-expected results and details of property acquisitions better-than-expected results and details of property acquisitions worth some £1.64m. In sharp contrast, a bout of profit-taking left recently-firm estate agents with moderate losses. Mann and Company dipped 15 to 285p and Banover Investments shed 7 to 165p. Connells, however, remained a firm market and gained 5 more to a 1985-86 peak of 2180.

outstanding among Shippings, rising 5 more for a two-day advance of 12 at 199p following persistent speculative buying fuelled by rumours of an imminent bid from P&O De-

ferred, 5 down at 466p. Textiles usually gave modest ground in subdued trading. Robert H. Lowe, however, touched 50p before closing a net higher at 482 fellowing the higher at annual pr restoration dividend. of the Preference

292p, on hopes of an increased offer from Hanson Trust in the

WEDNESDAY'S

wake of the OFT's decision not to refer the bid to the Monopolies Commission; Imps has forecast a 23 per cent increase in pre-tax profits and a 25 per cent dividend increase for the current year. Buyers also returned for Rothmans which put on 7 more to 155p.

#### BP firmer

hopes prompted fresh specula-tive activity in Staffordshire Pot-teries which closed around the Reports that traders in North Sea oil futures markets had incurred substantial losses in recent weeks and may not honour their commitments brought renewed pressure on oil prices and prompted dealers to mark leading oils lower at the outset of trading. However, a steadler trend in the oil market later in the day encouraged good support for oils which subsequently closed with minor changes in either direction. BP initially eased to 543p before rallying to close a net 5 better at 550p, while Shell settled 3 firmer on balance at 670p. Britoil dipped to a 1985-86 low of 176p prior to ending the session unchanged on balance at 180p following news of a gas discovery in Block 3/4A in the North Sea. Losino returned to the fore in Overseas Traders, rising 5 to 238p following another active traded option business. Buyers also displayed fresh enthalsesm for Tozer Kemsley and Millbourn which touched a new peak of 90p before settling 3 higher on balance at 89p, and for Thomas Berthwick which added 4 more at 40p. Polly Peck, on the other hand, remained friendless and dipped 7 to 153p, after 150p.

Plantations featured Grand Central, finally 3½ to the good at 32½p in response to the annual profits recovery and share placing to finance investment property purchases. curred substantial losses in recent weeks and may not

#### Golds mark time

Mining markets did little more than mark time during one of the quietest sessions for a number of weeks. South African Golds showed minimal changes in either direction despite a gradual de-cline in the bullion price which drifted back to close a net \$1.75 off at \$334.75 an ounce. The Gold Mines index showed a 0.4 improvement at 330.9. The USM-listed Qlogau Gold

The USM-listed Glogau Gold rose strongly to close 4½ better at 20p following a report that the company had encountered platinum during its gold exploration efforts in North Wales. Worries over the Australian trade figures scheduled for today and the recent weakoess in the Australian dollar exerted con-Australian dollar exerted con-siderable downward pressure on overnight markets in Sydney and overnight markets in Sydney and Melbourne, which registered their steepest one-day falls this year. London dealers consequently marked Australian mines lower at the outset and they drifted further in a generally duli session. Overnight news that Australian coal miners had embarked on a seven-day strike over pay and productivity unsettled coal producer Oakbridge which retreated 6 to 46p.

#### Traded Options

Buoyant conditions continued to prevail in Traded Options.
Total contracts transacted amounted to 21,705—17,281 calls and 4,424 puts. As on Wednesday. Group which attracted 5,951 calls and 772 puts as operators hedged against an increased offer from Hanson Trust. Lourho were also lively with 998 calls struck, while Distillers and Land Securities recorded 825 and 680 calls

**EQUITIES** 

#### **FIXED INTEREST STOCKS**

|                |                                   |   |  |                        |  |                                       | _   |
|----------------|-----------------------------------|---|--|------------------------|--|---------------------------------------|-----|
| Issue<br>price | 200 E                             | Heat<br>number                                      | 198  | 55/6                   | Stock  | Glosing<br>price £                    |     |
|                | <b>52</b>                         | 350   | High   | Low                    |  | -08                                   | Ļ   |
| 199.518        | F.P.<br>C25<br>Nii<br>C10<br>F.P. | 4/4<br>11/4<br>27/3<br>30/5<br>26/2<br>27/3<br>28/2 | 2458<br>106<br>93<br>8614<br>6pm<br>1014<br>1004<br>404<br>404 | 301<br>10<br>993<br>36 | Angio-Nordio 1142 Cm. Pf   | 98<br>964<br>104<br>1004<br>384<br>93 | +1  |
| 100<br>II      | F.P.                              | J 1   | 99   | 1 98                   | Physical Company of the Company of t | 17 PP111                              | ]+1 |

| lasue   | d up  | Latest<br>Renunc.  | 198   | 5/6   | Stock  | - 545  | + 01           |
|---|---|--|---|---|--|--|----------------|
| price   | 題   | -  | High  | Low   |  | - 8 E  |                |
| 82<br>100<br>750<br>Dm388<br>235<br>94<br>215<br>11200<br>35<br>140<br>60 | F.P.<br>F.P.<br>Nil<br>Nil<br>Nil<br>F.P.<br>Nil<br>Nil | 5/5<br>7/3<br>21/3<br>21/3<br>15/5<br>24/3<br>27/3<br>10/3<br>27/3 | 100<br>133<br>80pm<br>63pm<br>63pm<br>60pm<br>60pm<br>83<br>7pm<br>34pm<br>25pm | 38pn<br>38pn<br>12pn<br>47pn<br>68<br>5pn<br>28pn | Genmon St. Inva. 20p. Genming Che. Pid. Ord. 5p. GALA 60p. Comperabank Dm10. Compera | 43pm<br>43pm<br>30pm<br>40pm<br>15pm<br>60pm | -1<br>+5<br>+8 |

### RISES AND FALLS

| ICSIEKAN             |           |      |       |    |
|----------------------|-----------|------|-------|----|
|                      | Rises     | Felk | Same  | •  |
| British Funde        | 1         | 85   | 22    |    |
| Corpus. Doin. and    |           |      |       | •  |
| Foreign Bends        | 9         | 22   | 61    |    |
| Industriels          | 383       | 302  | 834   |    |
| Financial and Props. | 216       | 55   | 300   | •  |
| Oils                 | : 18      | 26   | et    |    |
| Plantations          | . 2       | 6    | 70    |    |
| Mines                | 29        | 48   | 105   |    |
| Others               | <b>30</b> | 43   | 96    |    |
| Totals               | 738       | 586  | 1,499 | ij |

International A put was taken out in Metal Box, while doubles were transacted in Charter Consolidated, Sheraton Securities

TRADITIONAL OPTIONS

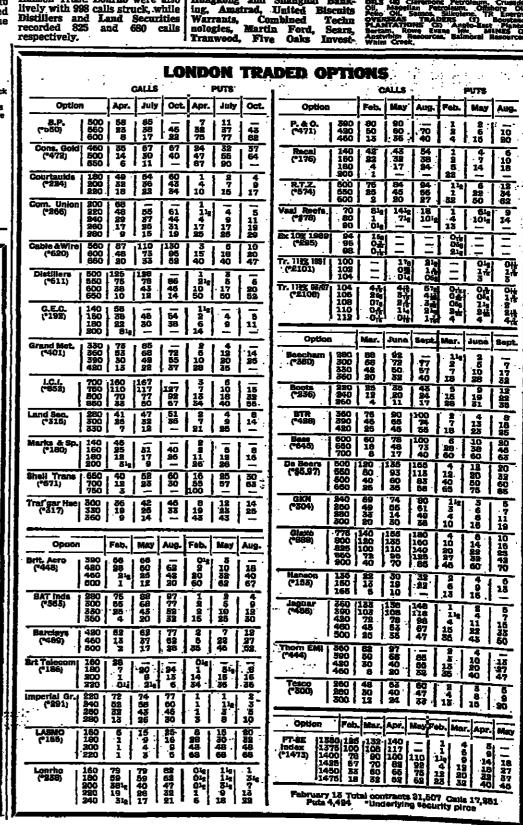


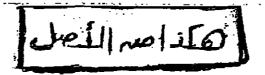
These Indices are the joint compilation of the Financial Times the Institute of Actuaries and the Faculty of Actuaries

|              | & SUB-SI                              | ECTIO                                   | =                                       |                    | The                  | ur Feb                               | 13 1                                       | 986                           |                            | Feb<br>12    | Feb<br>11                    | Feb<br>10        | 290 .<br>(299-01.) |     |
|--------------|---------------------------------------|---|---|--------------------|----------------------|--------------------------------------|--|-------------------------------|----------------------------|--------------|------------------------------|------------------|--------------------|-----|
| F            | igures in parenthes<br>stocks per     | ses show                                | number                                  | of Index No.       | Day's<br>Change<br>% | Est.<br>Earnings<br>Viell%<br>(Max.) | Gross<br>Dir.<br>Yleid%<br>(ACT at<br>30%) | Est.<br>P/E<br>Ratio<br>(Het) | nd adj.<br>1966<br>to date | hodex<br>No. | ladex<br>Ho.                 | index.           | Index<br>No.       | • . |
| ī            | CAPITAL SOOS                          | S (214) .                               |   | 632.10             | -,                   | 9.02                                 |  |                               |                            |              |                              |                  |                    |     |
| 2            | Building Material                     | ıls (24)                                |   | 679.39             |                      | 9.83                                 |  |                               | 834                        |              | 1 665.13                     | 657.91           | 489.61             |     |
| 3            | Contracting, Cons<br>Electricals (13) | distant.                                | Z11                                     | 988.67<br>1748.55  |                      | 9.15<br>8.38                         |  |                               | 1.80<br>0.94               |              | 978.57<br>2 1737.80          |                  |                    |     |
| 5            | Electronics (39).                     | *************************************** |   | 1556.28            | 8 +22                | 9,42                                 | 2.92                                       | 13.95                         | 5.85                       | 1522.39      | 2 1/3/.80<br>9 1485.15       |                  |                    |     |
| 6            | Mechanical Engin                      | aeering (f                              | (4ر                                     | 344.43             | +0.5                 | 10.20                                | 4.28                                       | 11.94                         | 8.27                       | 342.59       | 340.68                       | 341.32           | 269.82             |     |
| 8            | Metals and Metal<br>Motors (18)       | l Forming                               | ; <del>(</del> 7)                       | 283.89<br>256.85   |                      | 7.76<br>9.37                         | 5.84<br>3.60                               | 15.73<br>12.99                | 8.00                       |              | 271.67                       |                  | 177.31             |     |
| 20           | Other Industrial N                    | Materials                               | (22)                                    | 208.85<br>1155.51  |                      | 6.60                                 |  | 18.07                         | 8.34<br>0.26               |              |                              |                  |                    |     |
| 21           | COMSUMER SR                           | tOUPo (1)                               | 43)                                     | 898.71             | L +0.2               | 8.40                                 | 3.45                                       | 14.94                         | 1.56                       |              |                              |                  |                    |     |
| 22           | Brewers and Disti                     | ullers (23)                             | )                                       | 818.95             | -02                  | 9.65                                 | 3.79                                       | 13.28                         | 1.30                       | 820.82       | 2 817.21                     | 814.45           | 575.65             |     |
| 25           | Food Manufacturi                      |   |   |                    | ː = =                | 10.27                                | 431  | 12.60                         | 1.68                       |              | 578.91                       | 581.28           | 508.34             |     |
| 26<br>27     | Food Retailing (1<br>Health and House |   |   |                    |                      | 6.85<br>5.67                         | 2.65<br>2.44                               | 19.85<br>20.69                | 5.68<br>0.02               |              |                              | 1731.46          |                    |     |
| 29           | Leisure (25)                          |   |   | 813.59             |                      | 7.48                                 | 425  | 17.48                         | 8.99                       |              | 3 1317.39<br>3 803.40        |                  |                    |     |
| 32           | Publishing & Prin                     | nting (13)                              | )                                       | 2043.61            | ı] —                 | 8.27                                 | 4.46                                       | 15.25                         |                            |              |                              |                  |                    | •   |
| 33 i         | Packaging and Pa                      | aper (15).                              |   | 432.74             | +0.8                 | 8.37                                 | 3.85                                       | 14.21                         | 0.09                       | 409.59       | 407.23                       |                  | 307.36             |     |
| 34           | Storese (43)                          |   |   |                    |                      | 6.95                                 | 2.81                                       | 19.47                         | 1.84                       | 77L34        | 772.45                       | 768.92           | 535.17             |     |
| 35           | Textiles (16)                         |   |   | 443.33             |                      | 11.07                                | 3.94                                       | 10.24                         | 0.00                       | 447.19       | 447.60                       | 454.22           | 326.76             |     |
| 36<br>41     | Tobaccos (3)<br>OTHER GROUPS          | ~ (95)                                  | *************************************** | 1909.17<br>741.13  |                      | 13.31                                | 4.60                                       | 8.52<br>14.21                 | 0.60                       | ,            |                              |                  |                    |     |
| 42           | Chemicals (19)                        | \$ (40)                                 |   | 741.13<br>  824.18 |                      | 9.23<br>12.13                        | 3.93<br>4.70                               | 10.50                         | · 0.85                     |              |                              |                  |                    |     |
| 44           | Office Equipment                      | t (4)                                   |   | 254.09             |                      | 627                                  | 3.96                                       | 19.63                         | 9.12                       | 255.76       |                              |                  |                    |     |
| 45           | Shipping and Tran                     | ensport (12                             | 2)                                      | 1455.61            | 1 -0.4               | 7.03                                 | 3.99                                       | 17.62                         |                            |              | 2 1442.68                    |                  |                    |     |
| 47           | Telephone Netwo                       | orts (2) _                              |   | 875.22             | 2 -0.7               | 9.42                                 | 3.75                                       | 14.56                         | 0.93                       | 881.51       |                              |                  |                    |     |
| 48           | Miscellaneous (4)                     | I&}                                     |   | <u>   913.02</u>   |                      | 7.46                                 | 3.53                                       | 16.37                         | 0.25                       | 910.44       | 903.80                       | 908.07           |                    |     |
| 49           | INDUSTRIAL GI                         |   |   |                    |                      | 8.76                                 | 3.62                                       | 14.49                         | 1.24                       | 752,53       | 743.77                       | 744.71           |                    |     |
| 2            | (18)                                  |   |   |                    |                      | 18.58                                | 7.88                                       | 6.39                          | 0.00                       |              | 1112.51                      |                  |                    |     |
| 59           | 500 SHARE IND                         |   |   |                    |                      | 9.84                                 | 4.09                                       | 12.71                         | 1.15                       |              | +                            | 7-00-00-0        |                    |     |
| 61           | FINANÇIAL ERI                         |   |   | 546.75             | +0.7                 | -                                    | 4.43                                       |                               | 0.24                       | 543.18       | 539.41                       | 538.71           | 450.42             |     |
| 62           | Banks (7)                             |   | _                                       | 537.98             | +0.2                 | 17.15                                | 5.82                                       | 1 1                           | 8.00                       | 537.37       | 533.92                       | 534.87           | 463.77             |     |
| 65           | lasurance (Life) (                    |   |   |                    |                      | 1 -                                  | 414  | 1 = 1                         | 0.00                       | 821.74       | 836.32                       | 518.18           | 608.07             |     |
| 66           | Insurance (Compo                      |   |   | 442.70<br>1311.30  |                      | 645                                  | 3.27                                       | 20.76                         | 0.95<br>0.95               | 43.25        |                              |                  |                    |     |
| 68           | Merchant Banks (                      | (11)                                    |   | 313.41             | i                    | ] =                                  | 3.27                                       |                               | 0.95                       |              | 7 1312 <i>27</i><br>1 388.72 |                  |                    |     |
| 69           | Property (51)                         |   |   | 728.60             | +33                  | 5.52                                 | 3.44                                       | 24.22                         | 0.42                       | 694.89       |                              |                  |                    |     |
| 70           | Other Financial G                     | 26)                                     |   | 303.54             | +0.7                 | 8.04                                 | 436  | 14.95                         | 0.98                       | 361.52       |                              |                  |                    |     |
| ヵ            | Investment Trusts                     | s (103)                                 |   | 674.04             | +8.7                 |                                      | 3.20                                       |                               | 8.93                       | 669.13       | 665.56                       | 66454            | 626.94             |     |
| 81           | Mining Finance C                      | 3)                                      | <del></del>                             | 265.11             | L -0.7               | 12.62                                | 5.86                                       | 922                           | 0.88                       | 266.96       | 266.12                       | 267.50           | 302.88             |     |
| 91           | Overseas Traders                      |   |   |                    |                      | 13.51                                | 6.68                                       | 8.80                          | 0.00                       | 630.06       |                              |                  |                    |     |
| <u>99</u> ]  | ALL-SHARE IND                         | JEX=(75                                 | 9)                                      | 716.54             | +8.3                 | -                                    | 4.14                                       |                               | 0.91                       | 724.86       | 797.48                       | 799.37           | 619.16             |     |
|              | 1                                     |   |   | index              | Day's                |                                      | Day's                                      | Feb                           | Feb                        | Feb          | Feb                          | Feb              | Year               |     |
| _            | L                                     |   |   | No.                | Change               | e Highti                             | Low  | 12                            | 111                        | 30           | 7 1                          | 1 6 1            | 200                |     |
| _1           | FT-SE 100 SHAR                        | KE INDE                                 | K                                       | 1473.5             | +3.5                 | 1473.7                               | 1466.2                                     | 1470.0                        | 1453.9                     | 1461.5       | 1445.0                       | 1426.9           | 1289.8             |     |
|              | FI)                                   | KED                                     | INTE                                    | REST               |                      |                                      | REDE                                       | AGE GRO                       | YIELDS                     |              | Ther<br>Feb<br>13            | Wed<br>Feb<br>12 | (ablader)          |     |
| -            | PRICE                                 | They                                    | Day's                                   | Wed                | ed add.              | ed adl.                              | Britte                                     | sh Govern                     | ment                       | _ {          |                              | 1                |                    | • • |
|              | HOICES .                              | Feb                                     | Charge:                                 | 1 2 - 1 -          |                      | 2007                                 | 1 Low<br>2 Coupe                           | - v                           | 5 years                    |              | 9.83                         | 9.82             | 11.24              |     |
|              | Monto                                 | 13                                      | %                                       | 12                 |                      |                                      | 2 Compo                                    |                               | 5 years<br>5 years         |              | 19.30<br>19.31               | 10.27<br>10.28   | 20.85              |     |
| <del>-</del> | british Covernment                    | <u>.</u>                                |   | <del></del>        | $\overline{}$        | $\stackrel{\sim}{-}$                 | 4 Mediu                                    |                               | years                      |              | 1742                         | 11.61            | 10.53<br>13.94     |     |
|              | System Government  5 votes            | 117.80                                  | 886                                     | 119.12             | 0.22                 | 1.17                                 | 5 Coupos                                   |                               | 5 years                    |              | 19.74                        | 19.72            | 11.38              |     |
| -1-          | _,                                    |   |   | ,                  |                      |                                      | 6  |                               | 5 <del>years</del>         |              | 20.49                        | 10.38            | 19.76              | •   |
|              | 5-15 years                            | 129.34                                  |   |                    | 1                    | 149                                  | 7 Hilgh                                    | 5                             | 5 years                    |              | 11.58                        | 11.55            | 12.11              |     |
| 3)/          | Over 15 years                         | 155.31                                  | -819                                    | 135.57             | <b>-</b> [           | 2.05                                 | 8 Coupo.                                   | es 15                         | years                      |              | 10.94                        | 19.92            | 11.49              |     |
|              | kredeemables                          | 149.72                                  |   | l l                |                      | n an i                               | 9  | 25                            | 5 years                    |              | 10.52                        | 18.58            | 18.81              |     |
|              | All stocks                            | 128.01                                  |   |                    |                      | 145                                  | 10 Inedec                                  |                               |                            | <del>1</del> | 10.13                        | 10.11            | 19.24              |     |
|              |                                       | -                                       |   | -                  | <del></del>          | _                                    |  | -Liebed                       | ,                          | 1            |                              | I                | •                  |     |
|              | index-Linked                          | 11                                      | 1!                                      | <u> </u>           | 1                    |                                      | 11 Inflatio                                |                               | _ =                        | 5 yrs        | 485                          | 475              | Q.D.               |     |
| 6            | 5 years                               | 106.06                                  |   | 10825 -            | <b>-</b>   '         |                                      | 12 Inflatio                                |                               |                            |              | 3.87                         | 3.86             | 6.8                | •   |
| 7 0          | Over 5 years                          | 307.48                                  | -0.15                                   | 107.57 -           | — i :                |                                      |  | q rate 10%                    |                            | 5 yrs        | 3.86                         | 3.77<br>3.71     | 8.0                |     |
| - 1          | All stocks                            | 107.52                                  |   | l i                |                      | A 48   1                             |  | n rate 10%                    | 6 Over 5                   | . yes        | 3.72                         | 3.71             | 0.8                |     |
| 7            | MI 300-0                              |   |   | 401-0-             |                      | 1                                    | 15 Debs &                                  |                               | 5 years.                   |              | 11.94                        | 11,97            | 12.36              |     |
| 9            | Defendares & Lones                    | 110.84                                  | -0.03                                   | 110-85 -           |                      | 630 1                                | Louis                                      |                               | 15 years.                  |              | 11.69                        | 11.69            | 12.18              |     |
| -+           |                                       | 1                                       |   |                    |                      | —L <u>i</u>                          | 17   |                               | <u> 25 years.</u>          |              | 11.47                        | 11.47            | 12.02 ·            |     |
| <b>10</b> 11 | Preference                            | 79.93                                   | l +0.26 i                               | i 79.81. l -       | <b>-</b> 1           | 134 1                                | 18 Prefer                                  | 20CE                          |                            | Ħ            | 12.13                        | 12.15            | 13.80              |     |
| <del></del>  | † Flat yield. Highs                   | -orl lows                               | d.b                                     | dates w            | -bose apply          |                                      | - hange                                    | mid                           | thed in S                  | -Marian i    | AT                           |                  |                    |     |
|              |                                       |   |   |                    |                      |                                      |  |                               |                            |              |                              |                  |                    |     |

#### **ACTIVE STOCKS ACTIVE STOCKS** ssterday. Closing price 620 852 290 481 315 340 224 285 127 £124 431 293 Wed. close 486 855 166 850 425 285 360 318 102 184 Day's change +115 + 25 + 56 + 18 - 15 - 8 - 21 + 21 change +20 +40 +31 +24 +10 +5 +12 -23 +8

| EU   | ROPE   | rallii<br>Fe   | OP)  | Į .  | T구 도<br>May  | ∧V∏<br>                         | 19.<br>1 <b>4.17</b>             | 7 <b>5</b><br>:   |
|--|--|--|--|--|--|---------------------------------|----------------------------------|---|
| · Se   | ries '   | Vol.   | Last   | Vot.   | Last   | Yol.                            | Last                             | Stock   |
| GOLD C<br>GOLD C<br>GOLD C<br>GOLD C<br>GOLD P<br>GOLD P<br>GOLD P<br>GOLD P   | \$380<br>\$340<br>\$360<br>\$380<br>\$400<br>\$290<br>\$500<br>\$520                   | 20<br>45,<br>  | 17,50<br>8<br>   | 49<br>32<br>60<br>-<br>-<br>41<br>127                      | 3.70<br>3.70<br>   | 3<br>25<br>7<br>30<br>194<br>21 | 23 /<br>14<br>5.50 /<br>3,80     |   |
| -  |  | M  | BT.  |  | une  | 5                               | ept                              |   |
| SILVER CO<br>SILVER | F1,275<br>F1,286<br>F1,290<br>F1,295<br>F1,316   | 10<br>10<br>10<br>144<br>19<br>10<br>  | 8.200 B<br>2.100 0.85<br>0.85<br>0.30  | 10<br>56<br>20<br>135<br>6<br>10<br>262<br>129             | 5,30<br>3,50<br>6,60<br>5<br>3<br>1,50<br>1,50<br>2<br>0,30<br>4,80<br>7,80<br>10,50 | 12<br>22<br>                    | 5.40<br>5.40<br>1.0<br>1.0<br>80 | F1.576.60   |
| \$/DMP   | F1.270   | 10 (   | 10,50  <br>35  <br>r.  | 14<br>   | <u>14</u>  <br> y  | 1<br>0                          | 16,5 <u>0</u><br>ot.             | D#1255,75   |
| ABN C<br>ABN P<br>AEGN C<br>AEGN P<br>AH C<br>AKZO C<br>AKZO P<br>AMEV C<br>AMEV C<br>AMEV C<br>AMRO P   | FI.100 1<br>FI.100 1<br>FI.76 1<br>FI.76 1<br>FI.170 1<br>FI.180 5<br>FI.180 FI.80     | 110   1<br>  135   1<br>  136   1<br>  137   136   1<br>  157   150   71   154   159 | 0.80<br>0.50<br>4.90<br>8.20<br>6.10<br>3.50<br>4.70<br>2<br>6.20 A<br>3.50<br>8.40<br>6 | 20<br>152<br>4<br>43<br>94<br>85<br>13<br>10<br>248<br>202 | 16.50<br>6.90<br>7.80<br>5.30<br>8.70<br>5<br>8                                      | 15<br>15<br>5<br>57<br>8        | 10<br>18,30<br>9-50 A            | Fl.570,00<br>Fl.154.50<br>Fl. 75.20<br>Fl.153.70<br>Fl.60.50<br>Fl.256.00 |
| GIST C<br>GIST P<br>HEIM C<br>HEIM P<br>HOOG C<br>HOOG P<br>KLIM C<br>KLIM P<br>NEDE C<br>NEDE C   | F1.280 : 1<br>F1.340 : F1.76 : 4<br>F1.76 : 4<br>F1.86 : 1<br>F1.220 : 2<br>F1.190 : 1 | 25<br>41<br>30<br>25<br>25<br>11<br>10<br>39<br>80                                   | 2.50<br>22<br>4.30<br>1.20<br>3.50<br>3.90<br>1,40<br>1<br>2.40                          | 14<br>1<br>5<br>-<br>1<br>24<br>199<br>191<br>5            | 5,80 A<br>24 B<br>6<br>-14<br>6,30<br>3,40<br>2,50<br>4,50<br>22 B                   | 19 81                           | =                                | FI.225.21<br>FI.225.21<br>FI.65.70<br>FI.61.70                            |
| NATN C<br>NATN P<br>PETR G<br>PHIL G<br>PHIL P<br>RD C<br>RD P<br>UNIL O<br>UNIL P   | Fr.6500<br>Fl.70 3<br>Fl.56<br>Fl.280 2<br>Fl.180 1                                    | 93<br>78  <br>63   | 3.90<br>4<br>220<br>1.70<br>0.60<br>2.70<br>4.50<br>6.10<br>5.60                         | 75<br>3<br>170<br>41<br>192<br>13<br>19<br>18              | 6.50<br>1.50<br>5.60<br>31<br>18.90  | 26<br>10<br>284<br>200<br>66    | 6.80<br>6,20<br>5.20<br>2.10     | Fr. 8580<br>Fr. 8580<br>Fr. 65.30<br>Fr. 186.30<br>Fr. 186.30             |
| TOTAL VOL  | DWE IN COP   |  |  |  | _  |                                 |                                  |   |
|  | A=Ask  | £  | 3=8id  | C=   | Call   | P≈Pul                           | Ł                                |   |







## WORLD STOCK MARKETS

| WURLD STUCK WARRETS  |  |   |  |   |  |  |
|--|--|---|--|---|--|--|
| AUSTRIA  | GERMANY NORWAY   | AUSTRALIA (continued)   JAPAN (continued) or   Price + or   Feb 13   Vent + or  | CANADA   |   |  |  |
| Feb. 13  | Feb. 13  | Feb. 15   | CANADA  Sales Stack High Law Class One;  TORONTO  Prices at 2.30pm  February 13  3229 AMCA Int 515°, 156°, 1 | ASSIGN   Lacerna   Soft   So  |  |  |
| Carretour  | ABN 570 -0.5 Ska 1.575 - 1.575 - 1.4 Surveillance A. 6,830 - 1.950 - 80.3 -1.4 Surveillance A. 6,830 - 1.950 - | 00 Dal-Ichi Kan. Bk. 1,480  |  | ices  |  |  |
| Damart   | See Sells Westm.   18   1.1   18   1.2   18   1.2   18   1.2   18   1.3   18   1.2   18   1.3   1.3      | Eist   1  | Feb   Feb   13   12   11   10   7   6   5   High   Low   High  | Feb. Feb. Feb. Feb. 10 High Low  AUSTRALIA AII Ord. (1:1-80) Metals & Minia. (1/1-80) Metals & Minia. (1/1-80) Metals & Minia. (1/1-80)  AUSTRA Credit Aitken (2:1-62)  BELGIUM Brusseis 8E (11-1-80)  BUSSEIS S02.5, 70 S039.56 3048,54 3048,54 10.2-86 2090.7-18-1-85:  DENMARK Copenhagen SE (8:1-85)  DENMARK Copenhagen SE (8:1-85)  FRANCE CAC General (3:1-80)  GERMANY FAZ Aktien (3:1-256) , Commerzbank (1/12-55) , |  |  |
| individual exchanges and are<br>auspended, xd Ex dividend, xi<br>ex Ex all. • Price in Schillings. |  | M'bishi Corp  | Jan   Jan   Jan   Jan   Year Ago   Approx    15   Year Ago   Approx    15   15   15   15   16   16   16   1  | NETHERLANDS<br>AMP.CBS General (1870) 252,1 252,2 254,4 256,2 297,8 (8-1886-185,8 (3-1.85)<br>AMP.CBS Indust (1970) 245,8 244,4 246,4 246,9 255,3 (7:1),66: 147,8 (3.1.85)  |  |  |
| OVER-THE-  | COUNTER Nasdaq national marke  | t, 2.30pm prices  | Long Gov Book Yield  | NORWAY<br>slo SE (4)1:83) 576.16 582.38 585.85 582.11 412.88 (12/11:258.18 (2:1/85.<br>SINGAPORE<br>Straits Times (58/12/86) ' 621.58 ' 618.91 101 '(c) 852.65 (7 5) 583.41.25 ( 86.  |  |  |
| Continued from Page 4  | 1  | 64 371 45° 4 44° 44° 45° 45° 6° 5° 6° 6° 5° 6° 6° 6° 5° 6° 6° 5° 6° 6° 5° 6° 6° 5° 6° 6° 5° 6° 6° 5° 6° 6° 5° 6° 6° 5° 6° 6° 6° 5° 6° 6° 6° 5° 6° 6° 6° 5° 6° 6° 6° 5° 6° 6° 6° 5° 6° 6° 6° 5° 6° 6° 6° 6° 6° 6° 6° 6° 6° 6° 6° 6° 6° | Toleron  | SOUTH AFRICA   JSE Gold (28-9:76)   1251.5   1210.7   1217.4   1307.8-27.11-86   829.3   15-80   JSE Indust (28/9:76)   1985.5   1981.9   1887.5   1112.49-1.86   767.1.7-31   SPAIN   Madrid SE (59/12:85)   112.84   112.58   111.25   110.39   115.11.29-1.96   196.0.30, 12   25-1   180.00   120.00    |  |  |
| Pores 483 295 295 295 295 295 295 295 295 295 295  | Sengale 5508 9% 9% 9% 174 18 18C  2 14 SecTag 168 2 176 2 17CA Cb  TCA | 25 111- 11 1114 - 18 16 160 267 253, 26 + 14 161 160 267 253, 26 + 14 161 160 267 253, 26 + 14 161 160 267 253, 26 + 14 161 160 267 253, 26 + 14 161 161 161 161 161 161 161 161 161  | Chief price changes  | Continued from Page 22  |  |  |



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## ORK STOCK EXCHANGE COMPOSI

Prices at 3pm. February 13 | Indigst pl4.75 | 9.8 | 33 | 137 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | 138 | GAF 20 3 16
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GAMORIL 변화하다 하고 생각 시간 전혀 보고 있는 사람들은 보고 있는 사람들은 보고 있는 사람들은 보고 있는 사람들은 보고 있는 것을 받았다. 그런 것을 같은 것을 받았다. 그런 것을 22 / 1912 / 1913 EastAlr
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EAL wt 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 1956 | 19 ినికి కెన్నీళ్ళ గోటికి ఇక కెన్నే సాఫ్ట్ స్ట్రాఫ్స్ స్టాఫ్స్ స్ట్రాఫ్స్ స్ట్స్ స్ట్రాఫ్స్ స్ట్రాఫ్స్ స్ట్రాఫ్స్ స్ట్రాఫ్స్ స్ట్రాఫ్స్ స్ట్రాస్ట్ స్ట్రాఫ్స్ స్ట్రాస్స్ స్ట్రాస్స్ స్ట్రాస్స్ స్ట్రాస్స్ స్ట్స్ స్ట్స్ స్ట్రాస్స్ స్ట్రాస్స్ స్ట్రాస్స్ స్ట్రాస్స్ స్ట్రాస్స్ స్టాన్స్ స్ట్రాస్స్ స్ట్రాస్స్ స్ట్రాస్స్ స్ట్రాస్స్ స్ట్రాస్స్ స్ట్రాస్స్ స్ట్స్ స్ట్ 

هكذاصر الأصل



#### Financial Times Friday February 14 1986 41 | Internation | American Ame | Profession | P UCCEL 2.04 UCC 2.04 UCC 2.05 UCC ## 2.20 ## 2.2 25年7年1月18日,在1916年1月18日的1916年1月18日,1916年1日 2 130 0/57; 271 455 0 175 127; 271 128 127; 271 128 127; 271 127; 271 127; 271 128 127; 271 128 128; 271 128; 2 1 57 11 17 .60 15 .50 8 .16 6 974 978 2074 3054 1471 274 1974 6 15; 278 137; 37 64; 2804 2517; 2 17; 2 17; 38 22; 17; 2 17; 38 27; 18 531; 198 425; 278 38; 14% 11% 134 -22% -53 -14% -23% -79 334 + 834 + 61 7 95 38 7 18 109 294 58 278 22 112 320 16 .48 t3 1 13 .45 36 .40 35 .20 15 .44 16 1.60 N 230, 251, 253, 2372 2712 2518 5339 412 712 5 73g - 13 273g - 13 21g - 13 21g 64g 171g 9 302 64 2 208 267 CDI CMI CP CAMICO 44 CMARCO 28 CAYBU CHIMAN 20 CHIMAN 20 CHIMAN 20 CHIMAN 20 CONGOG CHIMAN 15 12 8 1214 44 8 73 28 16 15 10 47 451 20 14 2813 38 12 27 22 20 10 27 5a 10 13 5a 10 13 244 12 190 17 240 18 48 10 23 14 17 19 10 23 14 17 19 10 23 14 17 19 10 23 18 48 19 11 1 1 122 18 5 10 18 5 10 18 6 8 9 72 .3 9 12 21 14 13 56 9 2 14 15 17 15 17 16 9 2 14 15 17 17 17 18 3 4 5 7 9 2 3 1 10 9 7 11 10 2 21 7 61 29 0 33 1978 2175 458 1678 7-16 2774 15-16 3 1678 7834 358 354 4174 977 1855 778 374 374 374 675 OVER-THE-COUNTER Nasdaq national market, 2.30pm prices | Simple | S V 340 425 21 62 Fitto 1s Figgles Figgl ADC AEL AFG ASANAH ACAGIN ACAG 724, 484, 1714, 491, 1814, 491, 1814, 491, 1814, 491, 1814, 491, 1814, 491, 1814, 19 Cart Wet Cipher Cipher Cipher Cipher Circon Cobella Coestli Cobella Coestli Cobella Coestli Cobella Coestli C LDBrit LSI Log LTX LaPores LaZ By Ladiw Lamas Lanes Lanes Lener Laws Lener Laws Lener Living Lacet Laws Lener Living Lacet Lanes Lener Living Lacet Linding Lacet 1 26 .80 .94 1 20 .89e .40 .40 .83 1.06 .80a 1.10 1.24 .48 22 230 64 62 49 323 177 278 112 2304 138 1049 ,48 ,48 ,32 G 17, 123 13 86 .10 ### Communication | 100 | 110 | 110 | 277 | 259 | 377 | 75 | 459 | ### Well | 262 | 31 | 31 | 32 | 32 | 47 | 47 | 47 | ### Well | 262 | 31 | 31 | 32 | 32 | 47 | 47 | ### Well | 262 | 31 | 31 | 32 | 32 | 32 | 32 | 32 | ### Well | 262 | 31 | 31 | 32 | 32 | 32 | 32 | 32 | ### Well | 262 | 31 | 31 | 32 | 32 | 32 | 32 | 32 | ### Well | 27 | 32 | 32 | 32 | 32 | 32 | 32 | ### Well | 27 | 32 | 32 | 32 | 32 | 32 | ### Well | 27 | 32 | 32 | 32 | 32 | 32 | ### Well | 27 | 32 | 32 | 32 | 32 | ### Well | 27 | 32 | 32 | 32 | 32 | ### Well | 27 | 32 | 32 | 32 | ### Well | 27 | 32 | 32 | 32 | ### Well | 32 | 32 | 32 | 32 | ### Well | 32 | 32 | 32 | 32 | ### Well | 32 | 32 | 32 | ### Well | 32 | 32 | 32 | ### Well | 32 | 32 | 32 | ### Well | 32 | 32 | 32 | ### Well | 32 | 32 | 32 | ### Well | 32 | 32 | 32 | ### Well | 32 | 32 | 32 | ### Well | 32 | 32 | 32 | ### Well | 32 | 32 | 32 | ### Well | 32 | 32 | 32 | ### Well | 32 | 32 | 32 | ### Well | 32 | 32 | 32 | ### Well | 32 | 32 | 32 | ### Well | 33 | 32 | 32 | ### Well | 34 | 32 | 32 | ### Well | 34 | 32 | 32 | ### Well | 35 | 35 | 35 | ### Well | 35 | 35 | 35 | ### Well | 35 | 35 | 35 | ### Well | 35 | 35 | 35 | 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Continued on Page 39

# FINANCIAL TIMES WORLD STOCK MARKETS

**WALL STREET** 

## Retail sales data bolster optimism

THE ANNOUNCEMENT that US retail sales rose by only 0.1 per cent last month bolstered Wall Street's optimism regarding inflation property yesterday,

unites Terry Byland in New York.

The stock market remained firm in brisk turnover, although major indices were affected by mixed changes in some blue chips.

At 3pm, the Dow Jones industrial average was 0.92 higher at 1,630.85.

The stock market opened lower, partly in response to renewed weakness in IBM, again suffering from a downgrading of earnings estimates by two major brokerage houses. At \$154%, IBM stock was down \$% but above the worst.

But the blue-chip sector recovered its poise when Ford pleased the market with its 1985 profits statement. Ford bounced ahead \$1% to \$70% in good turnover, taking General Motors up \$1% to \$79% in sympathy. But Chrysler's profits were below the best of Wall Street expectations and the stock trailed with a \$% gain to \$53%.

However, Subaru of America dipped \$13 to \$209 on the over-the-counter market after a Merrill Lynch analyst was said to have cut his earnings forecasts.

Frankfurt

Commerzbank Dec 1, 1953 - 100

Paris

CAC General Dec 31, 1982-100

STOCK MARKET INDICES

1,630.85\*

216.19\*

716.54

10.52

1,212.5 1,208.6

Feb 13

Previous 'Year ago

1,629,93 1,297,92

215.97

714.06

763.90

330.5

13,293.80 13,300.58 12,025.70

1,059.60 1,058.90 924.12

3,044.38 3,025.7 2,150.35

2,133.2° 2,167.7 2,190.0 2,764.3° 2,781.1 2,628.3

230.00 230.65

134.29 135.24 132.67

112.6

654.83 670.85 397.15

1,979.0 2,032.0 1,156.9

1,746.40 1,743.03 1,336.32

510.67

244,4

616.91

1,231.5 1,093.3

1,855.68 1,850.19 1,452.50

578.5

Prev

266.6

413.80p

Feb 13 \$334.75

\$334.50

\$397.15

\$336.50

£983.25

£2,387.50

375.16 382.38

112.34 112.56

Feb 12

267.7

COMMODITIES

GOLD (per ounce)

243.9

173.96

70.2

275.06

157,4

805.74

865.5

84.61

413.3

Yearego

416.45p

£982.50

Prev \$336.50

\$337.05

\$340.65

\$339.40

£2,474.00

499.3 508.3

117.72 117.17

10.50

634.52

183.35

984.7

619.16

677.14

10.88

Yen FFr

BFr ÇS

2000

1500

250

200

**MEW YORK** 

DJ Industriels

DJ Transport

S&P Compos

FT-A All-share

FT Gold mines

FT-A Long gilt

LONDON

TOKYO

Tokyo SE

AUSTRALIA

AUSTRIA

CANADA

Compa

DENMARK

FRANCE

Ind. Tendance

WEST GERMANY

Commerzbank

Banca Comm.

NETHERLANDS

ANP-CBS Ind

MORWAY

Oslo SE

SINGAPORE

Straits Times

SOUTH AFRICA

JSE Golds JSE Industrials

Madrid SE

SWITZERLAND

MS Capital Int 1

Silver (spot fixing)

Oil (spot Arabian Light)

Copper (cash)

Coffee (Mar)

London

Paris (fbung)

New York (April)

Zürich

SPAIN

WOPLD

ANP-CBS Gen

FAZ-Aktien

HONG KONG

ITALY

Metals & Mins

Credit Aktier

Belgian SE

**Toronto** Metals & Minls

FT Ord

KEY MARKET MONITORS

Burroughs, shaken earlier this week by cuts in its labour force worldwide, rallied \$\% to \$68. Other technology issues looked ragged. Digital Equipment, number two to IBM, dipped \$1 to \$157\% as investors cautiously appraised Big Blue's price-cutting plans.

Eastman Kodak, also battered this week by plans for heavy labour cuts recovered \$1% to \$51% yesterday, with turnover quickly rising above 1m.

The persistent weakness in world oil prices was again brushed off by both the oil majors and by banks. Exxon at \$51 edged up \$%. Despite its cut of \$1bn in spending plans, Atlantic Richfield put on \$% to \$51%.

There was heavy turnover again in Texaco, with the stock \$% easier at \$28 as the board continued its fight against the \$11.1bn penalty payment to Pennzoil. At \$57%, Pennzoil fell \$1%.

Money centre banks moved higher as the stock market took the view that Mexico's debt problems would be solved internationally. Chase Manhattan added \$1% to \$75%, Bankers Trust \$% to \$36, and Citicorp \$% to \$50%. At \$65%, J.P. Morgan gained \$%, still looking for benefit from the restructuring, aimed at increasing the investment banking strength

strength.
Wells Fargo, after rising strongly since announcing its purchase of Crocker National from Midland Bank of the UK, eased \$% to \$77%.

In a firm defence sector, General Dynamics, up \$1½ to \$75½, continued to celebrate its return to the US Navy contract bidding lists. Stocks of those companies involved in the space shuttle contract remained firm. Morton Thiokol edged up \$% to \$34½, while Lockheed,

**CURRENCIES** 

2.367

7.2625

1.9675

2.674

48.45

US BONDS

100%

100%

Return Index

140.00

136.21 130.40

138.37

153.63

8.71

8.83

Feb 13 Day's change

+0.28

+0.17

+0.06

+0.17

10.15 7.50

9.85

10.37

Feb 13\*

100%

86.718

10114

11.80 Feb 2013 110.606 10.60 110% 10.65

12% Dec 2012 109.285 11.15 108.829 11.20

FINANCIAL FUTURES

9.079 101%

1988

1993

8% 8%

8% 9%

1-30

1-10

Corporate AT & T

3% July 1990 8% May 2000

10% Mar 1993

10% May 1993

Abbot Lab

CHICAGO

Certific

LONDON

Mar

Federated Dept Stores

10% May 2013 102.918

U\$ Treasury Bonds (CBT)

\$1m points of 100%

\$1m points of 100%

\$1m points of 100%

250,000 32nds of 100%

1,4025 1,39925

STERLING

1.412

3.3425

263.5

10.255

3.775

1.9735

12%

81/16 81/4 81/4 7.65 7.09

. 8.778

8.913

Day's

-- 0.03

-0.03

-0.01

-0.03

-0.05

10.15

7.56

9.82

101 10.42

Seb 13 Previous

1.418 3.33

10.2425

27575

3.76

1,989

12%

4%s 14%

8½ 7½ 7.65 7.95

8.034 100% 8.052

9921/12

8.62

8.38

8.07

9.47

Prev

100%

86%

10.30 102.454 10.35

86-20 86-25 86-13 86-09

93.05 93.10 93.05 93.06

110-03 110-04 109-15 109-29

92.28 92.24 92.24

91,99 91,92 91,94

186.6 258.25

1.606.0 2.275.25

US DOLLAR

2.348

182.15

7.2225

1.9445

2.6515

the contract manager added \$\% to \$49\% and Rockwell, builder of the shuttle, was \$\% up at \$37.

Johnson & Johnson staged a strong recovery as further details emerged of the cynanide poisoning case in New York. At \$51% the stock rebounded \$1% in heavy trading.

Profit-takers continued to cut into the recent gains in airline stocks, taking \$1% off United at \$58% and \$1 off American at \$50%. Pan Am weakened again, down \$% to \$8% as the investment press criticised the sale of the Pacific routes to United.

Pharmaceutical issues ran into profittaking, despite the continued slide in the dollar which benefits the industry's high overseas sales content. Merck, a constituent of the Dow industrial average, fell \$1\% to \$141\% and Bristol-Myers eased \$4 to \$63\%

Chemical stocks were well bought, the best spot again being Union Carbide, a further \$\% up at \$85\%.

In the credit market, yields on longdated federal bonds continued to slide, bringing a 9 per cent yield well within sight. "We are returning to the yield curve of the 1970s," Mr Dan Napoli of Merrill Lynch said. Long federal bonds now offer yields only 177 basis points above three-month Treasuries, compared with more than 200 basis points only a month ago. Federal funds returned to trade below 8 per cent, and treasury bill rates were a shade up on overnight.

TOKYO

# Judicious retreat from peak

MOUNTING concern over the precariously high equity prices pushed Tokyo's average down yesterday for the first time in 10 sessions, writes Shigeo Nishiwaki of Jiji Press.

The benchmark index weakened 6.78 to 13,293.80. Volume remained strong at 669m shares, although slightly down from Wednesday's 691m. Declines outpaced advances by 438 to 404, with 134 issues unchanged.

The Nikkei average had surged 351 points over the previous nine days, with low-priced issues leading the way. This combined with the stock exchange's tighter restrictions on margin trading in Janome Sewing Machine and other issues to generate anxiety about the market outlook

Janome Sewing Machine fluctuated wildly between Y960 and Y1,070, and closed at Y1,040, up Y40. It registered the ninth busiest volume with 9.15m shares changing hands due to rumours of purchases by IBM of the US.

Nishi-Nippon Railroad remained the most active stock with 16.05m shares traded. It soared in the morning but-slackened later on heavy selling and ended at Y454, up Y4.

Toyo Rubber Industry, second busiest with 15.36m shares, gained a maximum Y80 to Y378 on talk of increased buying by Toyota Motor, its second largest shareholder. Minebea, a precision bearing manufacturer, added Y14 to Y723 after reports that Trafalgar Holdings of the US and Glen International Financial-Service of Britain intend to purchase more of its shares.

Mitsui Petrochemical Industries, a main gainer on Wednesday, shed Y14 to Y858 on profit-taking. Mitsui Mining eased Y13 to Y790 and Nihon Nosan Kongyo Y17 to Y378.

Stocks which would be affected by the redenomination of the Japanese currency lost ground across the board, after profit-taking. Toppan Printing dropped Y50 to Y1,080, and Dainippon Ink and Chemicals Y5 to Y322.

Blue-chips remained out of favour. Hitachi eased Y13 to Y750, while Fujitsu slipped Y31 to Y999, its first fall to below Y1,000 in about a month. Nippon Kogaku weakened Y10 to Y1,060.

The Tokyo Stock Exchange has been trading about 800 small-capital issues through its computer system. However, the system is now overloaded due to heavy turnover in so-called "system issues" by speculators. To remedy the situation, the exchange decided to stop using the computer for trading in the 20 most active stocks, including Mitsui Mining and Toyo Kohan.

#### HONG KONG

PROFITS were taken from recently strong property issues in Hong Kong yesterday but most other sectors traded within a parrow space.

within a narrow range.

The Hang Seng index rose 3.37 to 1,746.40 on turnover down from HK\$168.95m in the previous session to HK\$165.19.

Cheung Kong shed 10 cents to HK\$20.40 while Hongkong Land and Sun Hung Kai Properties were both unchanged at HK\$6.50 and HK\$11.90 respectively.

#### SINGAPORE

BLUE CHIPS were the market's favourite in Singapore yesterday where most sectors showed strong gains, marred only slightly in the last hour by a bout of profit-taking.

profit taking.

The late downturn was brought about by disappointment over a lower-than-expected cut in corporation tax proposed by the Government's economic commit-

The Straits Times industrial index rose 4.39 to 621.30 on turnover up at 9.6m from 4.8m on Wednesday.

EUROPE

# Terrible twins to the fore

CURRENCIES and oil emerged yesterday as the latest boon to Europe's terrible twins, Paris and Milan, which, ignoring all logic and the long-awaited rampages of profit-takers, jumped to further record levels.

Paris was confronted with such heavy turnover that trading was extended by 40 minutes and the CAC General index breached the 300 barrier for the first time with a 2.9 rise to 300.3, its fifth consecutive peak.

Underpinning yesterday's market, which has been feted extensively by European, particularly British brokers, in recent weeks was the sharp decline in the dollar and further bullish sentiment on French corporate earnings, which are forecast to rise about 25 per cent on average this year. The prospect of higher consumer spending in 1986 also aided sentiment.

Construction issues remained at the centre of attention with Bouyges accelerating its advance with a FFr 30 rise – after two sessions of FFr 5 gains – to FFr 1,050. Screg adopted a more confident posture with a FFr 7 rise to FFr 121 after recent unsettled sessions.

Among engineering and aerospace issues, Alspi featured with an 11 per cent jump – or FFr 27 – to FFr 270 while Matra dipped FFr 30 to FFr 1,560.

Food and drink issues were less healthy than earlier in the week. Moët-Hennessy was certainly not smelling of roses when it slumped FFr 363 to FFr 1.887, losing at a stroke most of the steady gains achieved in recent months. Perrier lost all of Wednesday's rise with its FFr 7 retreat to FFr 515 and Pernod managed a further FFr 2 advance to FFr 896.

L'Oréal jumped another FFr 50, after the previous day's FFr 60, to FFr 3,110 and Lafarge Coppeé, one of the star performers of Wednesday, lost FFr 7 to FFr

Other interesting features included Elf Aquitaine's FFr 3 rise to FFr 215 in the face of an oil market plagued by production and pricing disputes while Valeo scored one of the best showings of the day with its FFr 75 jump to FFr 570.

Among holding companies favoured

by bullish earnings prospects. Schneider added FFr 17 to FFr 483.

Hotel group Accor put on FFr 35 to FFr 360 as its takeover battle for CNIT.

FFr 360 as its takeover battle for CNIT, the industrial fair organiser, gathers pace.

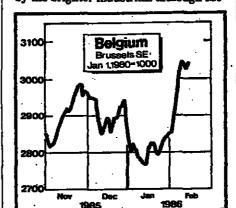
The peak performance in Milan was almost a carbon copy of Wednesday's surge. Flat had time to react to its shared victory in the Westland helicopter battle in Britain and the diversified transport group duly finished at another

transport group duly finished at another record close with a L320 jump to L7,480.

Generali, another cornerstone of the bourse's surge, was catapulted L1,790 higher to a record L86,100. Toro did proportionally better with its L2,000 gain to L32,200.

Montedison was carried across the L3,000 threshold with its L101 gain to L3.001.

Banks continued to be overshadowed by the brighter industrials although Me-



diobanca hit a fresh peak with a L500 gain to L161,500. Banco Commerciale lost L110 down at L22,960.

Saipem was also a weak spot with its L25 drop to L4,795.
Olivetti, a firm favourite among foreign investors and domestic buyers alike, put on L110 to L10,960 ahead of

higher profits.

The rest of Europe was not without its features. The brisk and somewhat unexpected 53 point plunge in the Commerzbank index unsettled Frankfurt as export issues, notably car makers; were

port issues, notably car makers, were marked down swiftly.

Siemens lost DM 30 to DM 753 on reports that the electrical major plans a capital increase through a tender offer, while Daimler retreated DM 37 to DM 1,300 despite Cartel Office approval abeit with restrictions, of its takeover of

AEG, which shed DM 5 to DM 303.50.

Petrofina led Brussels higher after the oil group and Belgium's leading industrial unit said that its 1986 earnings would not be hit by the current oil slump since Petrofina "buys more crude than it sells." Its share price jumped BFr 210 to

Stockholm finished mixed, Zurich slipped in thin volume and Amsterdam extended its losses at the close.

#### CANADA

THE MODEST advances recorded after Wednesday's session were fully erased by midsession in Toronto yesterday and most major sectors were easier.

most major sectors were easier.

Pagurian class A, which topped the actives, traded C5% higher at C\$13% after news that it has C\$100m available to expand its financial and management business.

Most sectors were lower in Montreal.

LONDON

# Leisurely run-up to new high

AFTER WEDNESDAYS frenetic session, the pace was more leisurely in London yesterday although buying pushed the FT 30-share index to another record. Aggressive demand for GEC, up 8p at 192p, helped the FT Ordinary share index rise 3.9 to a peak of 1,212.5. Continued buying of GEC has given rise to talk of a US house building up a share stake, the possibility of the company instigating another buy-in programme and fanciful dreams of a takeover bid from

Wellcome, which begins trading today, is likely to begin at 30p to 35p over the issue price of 120p.

Gilts were easier with longer-dated is-

Gilts were easier with longer-dated issues dropping about ¼ on the day.

Chief price changes, Page 39; Details,
Page 38; Share information service,
Pages 41-42.

#### **AUSTRALIA**

NERVOUSNESS ahead of today's current account deficit figures for January, a weaker local dollar and the affects of the lower oil price on market heavy-weight BHP pushed prices lower in Syd-

ney.

The fall was the largest in three months and hit industrial stocks the hardest. The All Ordinaries share index faded 15.4 to 1,039.7 and the All Industrials 21.6 to 1,591.7.

als 21.6 to 1,591.7.

BHP ended 12 cents lower at A\$6.94.

Bell Resources, which has offered A\$7.70 a share in a partial takeover bid for BHP, fell 15 cents to A\$4.75.

Investment companies were again

lower on caution over changes to the countries takeover laws. IEL lost 20 cents to A\$7.00 and Adsteam a similar amount to A\$11.50.

#### **SOUTH AFRICA**

MOST SHARES were mixed to easier in Johannesburg yesterday while golds moved sharply lower as the bullion price faded.

Vaal Reefs lost R2.50 to R229.50, Southvaal R1 to R113 and Western Deep Levels 25 cents to R114.75, In other mining issues, Anglo Ameri-

In other mining issues, Angle American, the country's largest mining house, was steady at R41.50 while Gencor inched up 25 cents to R36.25.

Diamond share de Reers was unchanged at R17.70, Rustenburg Platinum slipped 35 cents to R27.25 and manganese issue Samanco added 10 cents to R7.40.

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data, Linkline,

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Never before have so many expert users and suppliers from the UK. Europe and the USA been brought together under one roof. Speakers such as Don Dunham from America, Bernard Caiazzo from France, and



CAlready, in Europe and the USA...and in some very bright UK Companies...the telephone is revolutionising business, creating massive new sales opportunities.

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Bober Luderman, Group Marhang Doverte, British Televon Televon Televon Standard Servers, Charman of the British Direct Markating Association Telephone Musbring Committee.

abreast of ideas on a truly International scale. UK representatives include our own Pauline Marks, Robert Leiderman and Amanda Tilley.

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The structure of the Conference allows all levels of executives in your company to benefit: there are special Foundation' sessions to allow you to gain a general understanding of the potential of the telephone and the kinds of problems it solves most effectively; there are special 'In Depth' sessions that get right down to the nitty-gritty of the techniques and applications; and there are the 'Case Study' sessions going into live experiences.

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